



**DRAFT ANNUAL BUDGET
OF
Makhuduthamaga Local Municipality

2016/2017
To
2018/2019**

NB. Copies of this document can be viewed/obtained:

- At the reception of our municipal buildings
 - All public libraries of the municipality
 - At www.makhuduthamaga.gov.za
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Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Strategy	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
DFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
IGF	Internally Generated Funds		

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1.1. Mayor's report

Acting speaker,

Executive committee members,

Chief whip,

Councillors,

Traditional leaders,

Chairperson of MPAC,

Chair of chairs

Municipal manager, Senior managers and all employees of the municipality present here,

Managers from other government departments.

Leaders of religious denominations

Members of ward committees,

Business leaders present here,

Guests, members of the community and comrades.

Acting speaker, it is an honour for me, today to be given an opportunity to table the IDP and Budget of the municipality for 2016/17 to 2020/21 to the council of Makhuduthamaga Local Municipality.

Acting speaker.

The year 2016 marks the 22nd year of our freedom, 15 years of our local government and of course 5 years of our term of office.

This sitting happens just few months before local government elections and I would like to take this opportunity to urge all eligible voters to protect our hard earned democracy by exercising their right to vote to elect a government of their choice. Let me also take this opportunity to remind and encourage our youth and everyone else who is not registered to vote in this year's elections to stand up and go to the registration stations to register their names on the voter's roll on the 9th and 10th of April 2016, which is the last day for registrations.

Acting speaker

I make this call deliberately because, there are many signs in our society today, which indicates that our people have forgotten, where we come from as South Africans, to the extent that, many just choose to sit back and not participate in the elections of government of our country and the local government elections. We find it important to remind and educate our people, about the hardships our people went through to gain back the freedom we celebrate today. Many of our young people died on 16 June 1976 student Uprisings, fighting the gutter apartheid education system, The Sharpeville massacre is one of the painful experiences never to be wiped off our history as a country and many of our heroes and heroines were brutally killed in the fight for the liberation of our country. This all happened for us to have this right to vote for a government of our choice. A government of people, by people for its own people. Let us go all out and ensure that this right is fully and rightfully utilised for the sustainability of our growing democracy.

Acting speaker

Let me also condemn the acts of racism that has presented themselves in our country lately and encourage the citizens of our municipality to be a good example to fight against this inhuman behaviour. South Africa belongs to all of us, irrespective of a person's race.

Acting speaker

The Municipal Finance Management Act 56 of 2003 requires councils of municipalities in terms of section 16(1) to approve an annual budget for the municipality 30 days (section 24(1)) before the start of the financial year. In order for the municipality to comply with section 16 (1) mentioned above, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. I tabled in council held in July 2015 the time schedule outlining key deadlines for –

- i. The preparation, tabling and approval of the annual budget;
- ii. The annual review of the integrated development plan in terms of section 34 of municipal Systems Act; and the budget related policies.
- iii. The tabling and adoption of any amendments to the integrated development plan and the budget

related policies; and

- iv. Any consultative processes forming part of the process referred to in the above subparagraphs.

Acting speaker

Guided by the time schedule adopted by council, we have followed all necessary processes to ensure that our Integrated Development Plan is not just a compliance document but a plan that carries solution for the needs of our communities.

One of the major objectives for our council in the term of office that is ending, this year 2016, was to build access roads to our 27 traditional leaders with the area of Makhuduthamaga municipality. We all know that, our traditional leaders are surrounded by the communities they lead and therefore, creating access roads to the tribal offices was a good plan to link our communities to the district and provincial roads infrastructure. To some, we managed to complete the whole scope of work, and the tarred roads end exactly at the gates of the respective tribal offices connecting them to the main roads. Due to the length of the roads and limited funds, there are those which, are implemented in phases and estimated to be completed in 2016/17. We therefore encourage, the new coming council to ensure that, this roads are completed and maintained properly to sustain their ability to continue servicing our people.

Acting speaker

Like in all other years, we reviewed the municipality's service delivery goals which guided the development of relevant strategic objectives. The following are the strategic objectives for the next three budget years and will be reviewed every year and updated when necessary to ensure that the municipality achieves its service delivery goals;

1. To ensure sustainable use of land and promote growth and development.
2. To improve quality of life of our citizens through sustainable roads infrastructure.
3. To create an environment that will develop, stimulate and strengthen local economic development.
4. To provide sound and sustainable management of the financial affairs of the municipality.
5. To effectively coordinate all general administrative, governance, human resources, IT and legal services.
6. To provide assurance and build internal and public confidence on internal and external operations of the municipality and its stakeholders.

The six strategic objectives mentioned above, acting speaker, were developed with an aim to address the needs of our people as collected during needs analysis engagements with our communities and guided the

preparation of our Integrated Development Plan and the Budget for 2016/17 to 2018/19.

Acting speaker

We are presenting a projected total revenue budget to the amount of **R368 million** for 2016/17 budget year, **R 379.5 million** and **R 404.1 million** for 2017/18 and 2018/19 financial years respectively. The total revenue budget for 2016/17 consists of **R 294.4 million** from National transfers and grants and **R73.7 million** from own sources of revenue.

Our total National transfers and grants for 2016/17 is made up of **R 225.1 million** for Equitable share, **R 1.5 million** for EPWP grant, **R 1.6 million** for Finance Management Grant, **R 59.2 million** for Municipal Infrastructure Grant to fund roads infrastructure projects and **R 7 million** for INEG to fund electricity infrastructure projects.

Total amount of **R 73.7 million** from own revenue sources is made up of **R 33.4 million** for Property rates, **R12.2 million** for interests on investments, **R20.9 million** for interests on outstanding accounts, **R 4.9 million** for agency services, **R579 thousands** for traffic fines and **R 980 thousands** for other revenue.

Acting speaker

The revenue growth for 2016/17 financial year and the two outer years of the MTREF remain very low at 2 per cent, for 2016/17 and increase to 6 percent by 2018/19. This is not enough, considering the service delivery backlogs we are faced with, and therefore measures have to be put in place to ensure that the revenue generation and collection capacity of the municipality is strengthened and sustained. We have therefore reviewed our revenue enhancement strategies, in which process we identified new sources of revenue such as service charges for waste collection, rental of municipal halls and sports grounds. A thorough consultation will be conducted with the relevant stakeholders to ensure successful implementation of the plans to maximise opportunities for more revenue to sustain provision of services to our people.

Acting speaker

We are also, planning to develop a credible and accurate indigent register which will also assist the municipality, not only with directing basic services to the appropriate people but also in planning to maximise revenue generation.

Acting Speaker

Allow me to indicate to this house that, we have reached a point where we have to review the resolution that was taken by this council, not to bill property rates on households as we are facing a challenge of a rapidly increasing operational expenditure and a poor growth in revenue to meet this increasing expenditure. We therefore have to prioritise, the project of compiling the indigent register so that we can know, who will afford paying rates and those who are indigents to avoid a situation where we raise huge amounts of debts and never be able to collect them.

Acting speaker

The total revenue, presented above is used to fund the total budgeted expenditure to the amount of R 367.8 million for 2016/17 financial year. The budgeted expenditure for the two outer years amounts to **R 379 million** and **R 403.6 million** for 2017/18 and 2018/19 respectively. The total expenditure for 2016/17 is made up of **R 232.6 million** for operational expenditure and **R 135.1 million** for capital expenditure.

The operational expenditure of R232.6 million for 2016/17 is made up of the following expenditure sources;

Employee related costs – **R 74.1 million**

Remuneration of councillors – **R 20.7 million.**

Debt impairment – **R 17.2 million.**

Depreciation & assets impairments – **R13.6 million.**

Contracted services – **R 34.6 million**

Other expenditure – **R 75.5 million**

Acting speaker

We appropriated a total amount of **R 135.1 million** for capital expenditure to be implemented in 2016/17. We tried our best to cover as many of our wards as possible with the limited resources available, to ensure that service delivery is spread equally to all wards of the municipality. We budgeted **R 4.5 million** for the acquisition of a motor grader, for the maintenance of the internal roads in our communities. The municipality will then have four motor graders in total and we can then implement our plan of allocating them to the four identified clusters, to service our people effectively and efficiently. We appropriated **R 2.3 million** for the purchase of the speaker's vehicle and the mayor's vehicle as the current mayor's vehicle is nearing the end of its useful life. For the improvement and to keep our IT infrastructure at the required standards, we budgeted **R 2.5 million**.

Acting Speaker

We further allocated **R 4 million** for the development of Municipal Park, acquisition of PMS system, construction of market stalls and land scaping at the front of the municipal offices. The budget for Electricity infrastructure amounts to **R 7 million** and will be funded by grant received from DOE. We are planning to electrify households at Riverside-Lehwelere village, Hlalanikahle village and Mkgapaneng village which has already been approved by ESKOM.

Acting speaker

The premier of our province has during his state of provincial address in February 2016 made a commitment to provide high mast lights to the tribal offices and that commitment obviously put us to task to ensure that, his promise is delivered. As we all know, our traditional leaders have confidence in our government, we shall never disappoint them in this regard. We have allocated funds to implement this project within the next five

year term of the new council, to ensure that all of tribal offices are equipped with high mast lights by the end of the council term. We have appropriated **R 3 million** for 2016/17, **R 3.5 million** for 2017/18 and **R 4 million** in 2018/19 for acquisition and installation of the high masts at the identified tribal offices.

Acting speaker

We are allocating **R 106.6 million** for roads, bridges and storm water construction in 2016/17 and for the two outer years of the 2016/17 MTREF, we allocated **R 123.5 million** and **133.4 million** for 2017/18 and 2018/19 respectively.

In 2016/17 we are going to implement the following projects which will be funded by MIG;

1. Construction of access road from malegale to Madibaneng (6km) – R 8 million.
2. Construction of Kolokotela internal road (5.5km) – R 3 million.
3. Construction of Makgwabe to Mphane access road (10km) – R 5.8 million.
4. Construction of Rietfontein to Eensaam access road (10.5km) – R 16 million.
5. Construction of Thabampshe cross to Tswaing access road – R 17.5 million.
6. Construction of road from Glen cowie to Moloi (5km) – R 7 million.

Acting speaker

Due to funding constraints, we are forced to implement the longer roads in phases and funding them in multi years. Five of the above mentioned projects will be continued in 2017/18 and 2018/19 where applicable to be completed. The following are the projects to be funded by MIG in 2017/18 and 2018/19;

1. Construction of Kolokotela internal road (5.5km) – R 13.5 million
2. Construction of Makgwabe to Mphane access road (10km) – R 21 million.
3. Construction of Rietfontein to Eensaam access road (10.5km) – R 16.5 million.
4. Construction of Thabampshe cross to Tswaing access road – R 16 million.
5. Construction of Pitjaneng Internal road (2.3km) – R 11.5 million

6. Construction of Marishane and Phaahla Internal road (4.2km) – R 22 million
7. Construction of Mohlala-Ngwanamatlang access bridge – 4 million
8. Construction of road from Mashabela tribal office to Mphanama (10km) – 52 million
9. Construction of road from Glen cowie to Moloi (5km) – R 10.9 million.

Acting speaker

We further allocated an amount of R 51.2 million from equitable share to fund the following capital projects in 2016/17;

1. Construction of access road from R597 to Masshishing reservoir (2.1km) – R 6 million
2. Rehabilitation of R597 road – R 7 million
3. Construction of speed humbs on completed projects – R 1.2 million
4. Construction of access road to Maila Mapitsane tribal office (2.4km) – R 7 million
5. Construction of access road to Mashupye village (2.6km) – R 7 million
6. Construction of access road to Mathibeng tribal office (1.2km) – R 6.5 million
7. Construction of access road from Maloma tribal office to Tsopaneng grave yard (1.3km) – R 6.9 million

For 2017/18 and 2018/19 we allocated R 64 million and R 70.5 million respectively from equitable share to fund capital projects is indicated in our IDP and the tables of the annual budget for 2016/17 MTREF.

Madam speaker

We are therefore tabling to these honourable council the following documents for adoption and public consultation as mandated by section 16(2) of MFMA read with section 74 and 75a of MSA and Municipal Property Rates Act of 2004:

1. Draft IDP/Budget for 2016/2017.

We are confident that the budget and the accompanying policies are mutually consistent, credible and represent the will of our people.

In conclusion madam speaker, this budget is in line with constitutional mandate of bettering the lives of our people for the better, and these honourable council can agree with me that today is better than when we first walk into this council in 2011 and we hope that tomorrow shall be better than today and working together we shall do more.

Let me take this opportunity on behalf of the executive committee, administration and of course on my own behalf as the mayor, to thank everyone, councillors, executive committee members, officials, Magoshi and the general community for the support and cooperation they shown during our term of council and wish that they continue working with this municipality in the foreseeable future in ensuring better service delivery for our people.

Thank you.

1.2. Draft Council resolutions



LOCAL MUNICIPALITY

COUNCIL RESOLUTIONS

Ref: _____

RESOLUTION No.

AGENDA ITEM:

RESOLUTION ON THE TABLING OF DRAFT IDP/BUDGET 2016/2017-2020/2021

NOTING THAT:

1. The Local Government Municipal Systems Act 32 of 2000 section 34 a municipal council must review its integrated development plan annually in accordance with the assessment of its performance measurements in terms of section 41,
2. Local Government Municipal Finance Management Act 56 of 2003 section 24 the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget
- 2.1 The annual budget for the financial year 2013/2014 and the multi year and single year capital appropriations to the total amount of **R 368,044,728** budgeted revenue and **R 367,873,162** budgeted expenditure. Capital appropriation amount to **R 135,184,000** and operational expenditure amounts to **R 232,689,162** as set out in the following tables:
 - 2.1.1 Budget summary as contained in table A1
 - 2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table A2.
 - 2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table A3

- 2.1.4 Budgeted financial performance (revenue by source and expenditure by (revenue by source and expenditure by type) as contained in table A4.
- 2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table A5
- 2.2 The financial position, Cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 2.2.1 Budget financial position as contained in table A6
 - 2.2.2 Budget Cash flows as contained in table A7
 - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table A8
 - 2.2.4 Asset management as contained in table A9
 - 2.2.5 Basic service delivery measurement as contained in table A10
3. The Council of Makhuduthamaga Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013:
4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting of 30 March 2016, held at the municipal chamber.

RESOLVED THAT:

- The Integrated Development Plan/Budget for 2016/17 to 2020/21 be adopted as tabled for public consultation.
- The reviewed budget related policies be noted as tabled for public consultation.
- The MFMA circular No. 77,78,79,80 and 81 issued by National Treasury are adopted as tabled.
- The tariffs for property rates be two cents in a rand rate

Mover: Mayor (Cllr Matlala M.A)

Seconder: Cllr Mabitla

Acting Speaker: Cllr Mohla M

Municipal Manager: Mr. ME Moropa

Signature: _____

Signature: _____

Date: _____

Date: _____

1.3 Draft Executive Summary.

Legislative background

In terms of the Municipal Finance Management Act No. 56 of 2003 section 16 (1), the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. It is a requirement in terms of section 16 (2) that at least 90 days before the start of the financial year, the Mayor of the municipality must table in a council meeting the annual budget before the start of the financial year.

Complying with section 21 (b) of the MFMA, the mayor of Makhuduthamaga Local Municipality has tabled in a council meeting held on 31 August 2015 a time schedule outlining key deadlines for:

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of—
 - the integrated development plan in terms of section 34 of the Municipal Systems Act; and
 - the budget-related policies;
- (iii) the tabling and adoption of any amendments to the Integrated Development Plan and the budget-related policies; and
- (iv) All consultative processes forming part of the processes referred to in Subparagraphs (i), (ii)

To comply and adhere to the time schedule as adopted by council of the municipality and to comply with the MFMA requirement in terms of chapter 4 (Municipal Budgets), the Draft Annual Budget for 2016/17 and the MTREF is hereby prepared in terms of budget principles, Makhuduthamaga Budget policy, applicable legislations, MFMA circulars, Municipal Budget and Reporting Regulation and supporting documents as detailed below.

Budget principles and assumptions

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's financial management strategies and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, considering the cost containment measures as approved by the cabinet, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken on expenditures of noncore and 'nice to have' items as indicated in MFMA circular number 55, 66, 67, 70, 72, 74 and 75.

The municipality has embarked on implementing a range of revenue enhancement strategies to improve the collection of debt owed by consumers for property rates and to generate revenue from new sources available such as waste collection. Furthermore, the municipality has budgeted to undertake a number of customer care workshops in which customers will among other thing be engaged and shown the importance of their responsibility to pay rates and to ensure the municipality

truly involves all citizens in the process of ensuring a people lead government. The workshops will also assist the municipality to gather information on challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, 67, 70, 71, 74, 75, 78 and 79 were used to guide the compilation of the 2016/17 Draft Annual Budget.

- The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:
 - The need to reprioritise infrastructure projects and necessary operational expenditure within the existing limited resources considering the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure and other service delivery challenges in our communities.
 - The land ownership issues which affect revenue base growth in our municipality and proper town planning in the Jane Furse area, which is the most prominent economic growth point for the municipality.

- The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:
 - The draft budget for 2016/17 and the MTREF was prepared on a zero base principle.
 - The annual DoRA bill for 2016 issued on 18 February 2016 was considered in preparation of our draft budget for 2016/2017 to 2018/2019.
 - The 2015/16 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2016/17 annual budget where resources allow;
 - Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2016/2017, 2017/2018 and 2018/2019 financial year to ensure that the budget remain an implementation tool for the municipality's IDP.
 - For the 2016/2017 financial year and throughout the MTREF, tariffs for property rates will remain 2 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the draft 2016/17 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

Table 1 Consolidated Overview of the 2016/17 MTREF

Description	Adjusted Budget 2015/16	Budget Year 2016/17	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Revenue	363 237 055.00	368 044 728.00	379 586 961.00	404 114 943.00
VAT Refunds from SARS	14 292 039.00	-	-	-
Cash backed Reserves (IGF)	28 564 516.00	-	-	-
Total Funding	406 093 610.00	368 044 728.00	379 586 961.00	404 114 943.00
Total Operating Expenditure	254 911 413.00	232 689 162.00	242 820 807.00	259 221 101.00
Operating Surplus/(Deficit) for the Year	151 182 197.00	135 355 566.00	136 766 154.00	144 893 842.00
Capital Expenditure	151 140 001.00	135 184 000.00	136 251 128.00	144 402 825.00
Total Surplus/(Deficit)	42 196.00	171 566.00	515 026.00	491 017.00

The municipality has budgeted a total Revenue of R 368 million for 2016/17 financial year, R379.5 million and R404.2 million for 2017/18 and 2018/19 respectively. Total revenue has grown by 2 per cent or R4.3 million for the 2016/17 financial year when compared to the 2015/16 Adjustments Budget. For the two outer years, total revenue will increase by 3 per cent and 6 per cent respectively, equating to a total revenue growth of R 40.3 million over the MTREF when compared to the 2015/16 financial year. The total revenue for 2016/17 includes the grants allocations from the national treasury to the amount of R 294.4 million and own revenue sources to the amount of R 73.5 million. For the two outer years of the MTREF 2017/18 and 2018/19 total grants allocations included in total revenue amounts to R305.7 million and 323.6 million respectively while own revenue continues to grow to R 73.7 million and R80.4 million respectively.

The municipality is expecting the own revenue total budget for the two outer years to increase during review after the approval of the reviewed revenue enhancement strategies which will introduce new sources of revenue, such as service charges for waste collection, rental of municipal halls and sports grounds. The municipality has also included in its budget for 2015/16 a project to develop and regularly update the indigent register, with a plan to expand property rates charges to households in 2018/19 financial year to strengthen the municipality's revenue generating capacity and to ensure sustainability of service delivery.

Total operating expenditure for the 2016/17 financial year has been appropriated at R 232.6 million and translates into an operating budgeted surplus of R 135.3 million as indicated in table A4. This surplus is used to fund capital expenditure for 2016/17 as indicated in table 1 above. When compared to the 2015/16 Adjustments Budget, operational expenditure has gone down by **9 per cent** in the 2016/17 budget and grows by **1.7 per cent** by 2018/19. The operating surplus for the two outer years increase to R136.2 million for 2017/18 and R144.4 million in 2018/19 financial year. These surpluses will be used to fund capital projects.

The capital budget of for 2016/17 financial year amounts to R 135.1 million and has decreased by **10.59 per cent** when compared to the 2015/16 Adjustment Budget of R 151.1 million. The decrease in capital expenditure budget is due to the fact the capital expenditure in excess of budgeted revenue for 2015/16 was funded by cash backed reserves to address the backlogs from previous budget year. The municipality's revenue for 2015/16 is not sufficient to fund growth in capital expenditure budget and therefore, capital infrastructure projects will be implemented using multi-year budgets to cover all areas that have service delivery backlogs.

In the total amount for capital budget in 2016/17, an amount of R 57.3 million is funded by MIG for roads and bridges; R 7 million is funded by INEG from DOE while the remaining capital expenditure will be funded by equitable share to the amount of R 51.2 million.

The capital expenditure increases to R 136.2 million in the 2017/18 financial year and R144.4 million in 2018/19. The details of the capital projects are in table SA36, and the mayor's report clearly outline the objectives council want to achieve through implementation of these infrastructure projects.

❖ Operating Revenue Framework

The need to generate sustainable revenue is essential to meet funding requirements for Makhuduthamaga local municipality to continue improving the quality of services provided to its communities and to address the service delivery backlogs. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment in our municipality which directly affects negatively the municipality's revenue generation and collection.

The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balance expenditures against realistically anticipated revenues. The council of Makhuduthamaga cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which makes **62 per cent** of the total own revenue of **R73.5 million**. The municipality has resolved to retain the property rates tariffs unadjusted at **2 cents in a rand** and continue with programmes and steps that will ensure an improvement in community cooperation and improved collection on property rates as it is a major source of the municipality's own revenue.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2016/2017 financial year and the two outer years. The new sources of revenue proposed in the revenue enhancement strategies will only be included in the budget for the two outer years once approved by council and necessary programmes such as implementing by-laws has been completed.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs; (e.g. Waste collection project, business licensing)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2016/17 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		26	75	106	95	115	115	115	121	121	125
Interest earned - external investments		4 062	7 827	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370
Interest earned - outstanding debtors		8 938	12 455	17 087	17 998	20 498	20 498	20 498	20 998	21 058	23 757
Dividends received											
Fines		8	156	635	525	579	579	579	630	632	635
Licences and permits		-	-								
Agency services		3 791	4 039	4 400	5 159	4 909	4 909	4 909	5 154	5 169	6 526
Transfers recognised - operational		146 348	162 144	182 401	232 170	232 170	232 170	232 170	228 253	242 196	256 411
Other revenue	2	927	2 227	1 669	1 310	980	980	980	1 029	1 032	1 061
Gains on disposal of PPE		-	-	2	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885
Transfers recognised - capital		24 383	41 539	54 735	59 950	60 450	60 450	60 450	66 210	63 599	67 230
Surplus/(Deficit) for the year		216 141	274 449	298 996	362 737	363 237	363 237	363 237	368 045	379 587	404 115

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The total revenue for the municipality excluding capital transfers amount to R301.8 million for 2016/17, R315.9 million for 2017/18 and R336.8 million for 2018/19. The total operating revenue for 2016/17 has decreased by R952 thousand from 2015/16 budget year as the municipality did not receive the MSIG grant for 2017/17. The total amount for operational grants to be received for 2016/17 is R 228.5 million and R 242.1 million and R256.4 million for 2017/18 and 2018/19 financial years respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2016/17 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 80 per cent of the total operating revenue in 2016/17 budget year and 81 percent in 2017/18 and 80 in 2018/19.

The municipality is in the process of developing a new valuation roll that will be implemented for the next five years starting from 1 July 2016. As part of the processes for the compilation of the valuation roll, the municipality is ensuring robust engagement of all relevant stakeholders in an attempt to avoid challenges in collection during implementation.

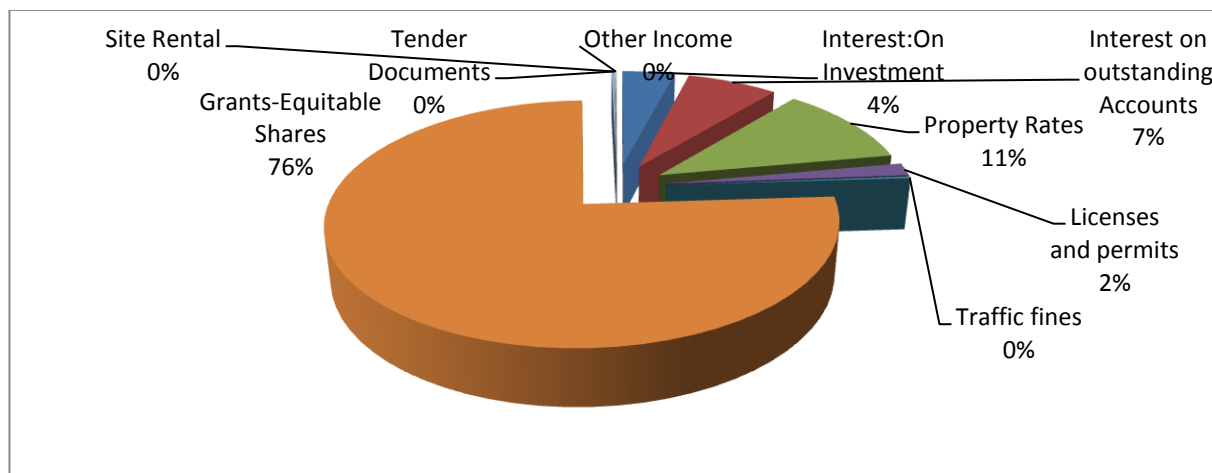
Revenue generated from property rates amount to R33 million and forms plus the interest on property rates overdue accounts to the amount of R12.2 million which together make **62 per cent** of the total operating revenue of the municipality for 2016/17 and remains at this percentage for 2017/18 and 2018/19 financial year. The increase in Property rates budget for 2017/18 and 2018/19 is as a result of projected increase in properties in the area as per the growth in LED projections. The tariff for property rates remain 2 cents in a rand for the whole MTREF.

Revenue from Licenses and permits amount to R 5.1 million for 2016/2017 budget year, R 5.1 million and R 6.5 million for 2017/2018 and 2018/2019 financial years respectively.

Other revenue consists of various items such as income received for selling tender documents, charges for suppliers database registration and other allocations from LG SITA for skills development. Refer to table SA1 under 2.14 (Other supporting documents) for more details.

The following graph indicates the total operational revenue per source and the percentage of each source to the total operational revenue of R 301.8 million for 2016/2017 financial year:

Revenue per source graph



Source of Revenue	Budget Amount 2016/17	Percentage
Interest:On Investment	12 224 527.35	4%
Interest on outstanding Accounts	20 997 525.15	7%
Property Rates	33 425 646.45	11%
Licenses and permits	5 154 289.35	2%
Traffic fines	630 000.00	0%
Grants-Equitable Shares	228 253 000.00	76%
Tender Documents	819 000.00	0%
Site Rental	120 739.50	0%
Other Income	210 000.00	0%
	301 834 727.80	100%

❖ Operating Expenditure Framework

The municipality's expenditure framework for the 2016/2017 budget and MTREF is informed by the following:

- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.

The following table is a high level summary of the operating draft budget for 2016/2017 and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type											
Employee related costs	2	35 248	43 739	43 604	65 951	55 003	55 003	55 003	74 146	79 484	84 969
Remuneration of councillors		15 633	16 688	17 529	19 909	19 909	19 909	19 909	20 792	22 289	23 827
Debt impairment	3	45 986	36 155	27 989	18 935	30 000	30 000	30 000	17 280	18 524	19 802
Depreciation & asset impairment	2	10 434	10 956	13 715	16 616	16 616	16 616	16 616	13 638	14 620	15 628
Finance charges		192	283								
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8										
Contracted services		25 732	28 484	35 387	45 820	58 520	58 520	58 520	37 602	40 650	43 284
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	34 692	41 567	55 299	61 383	74 863	74 863	74 863	69 232	67 181	71 564
Loss on disposal of PPE		14 469	17 909	97 643							
Total Expenditure		182 386	195 781	291 166	228 615	254 911	254 911	254 911	232 689	242 749	259 075

The budget allocation for employee related costs for the 2016/2017 financial year is R74.1 million, which equals to 26.2 per cent of the total operating expenditure. Since the Salary and Wage Collective agreement ended in July 2015, the MFMA Circular number 78 and 79 guidelines were taken into consideration when calculating the salary increase for 2016-17 to 2018/19. The municipality budgeted 7.6% increase for 2016/2017 to be implemented from 1 July 2016 for all section 55 employees. An increase of 7.2 per cent and 6.9 per cent has been included in the two outer years respectively.

The total employee related costs has increased from R55 million in 2015/16 adjusted budget to R74.1 million in 2016/17 which reflect a 11 per cent increase. This is as a result of the positions which were not funded during the adjustment budget for 2015/16.

As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non critical vacancies on the municipal structure were not funded. In addition, expenditure for overtime was only budgeted for the municipal drivers, political offices personnel and traffic officers for emergencies and strict measures has been put in place to ensure that it is not abused..

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The total costs for councillor allowances is R 20.7 million for 2016/17, R 22.2 million and R 23.8 million for 2017/2018 and 2018/19 respectively. An increase was projected at 7.6 per cent for 2016/17 and 10 per cent for the two outer years.

Debt Impairment

The provision of debt impairment for 2016/2017 was determined based on the Debt Write-off Policy of the municipality. For the 2016/2017 financial year this amount equates to R17.2 million and decreases to R18.5 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services, as well as the municipality's realistically anticipated revenues and therefore has to be cash funded.

Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2014/2015 AFS and new acquisitions for the current year 2015/2016 and 2016/2017 budget year. Budget appropriations in this regard are R1.6 million for the 2016/2017 financial year and equates to 6 per cent of the total operating expenditure. It increases to R 14.6 million in 2017/18 budget year.

Contracted Services

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipments and machinery. Security and cleaning services have been allocated R8.5 million and R4.3 million for 2016/17 respectively. The costs of these services increase to R9.4 million and R4.7 million by 2017/2018. Repairs and maintenance has been budgeted at 14.6% percent of the total operational budget and 10 per cent of the Asset value as per 2014/2015 AFS taking in to consideration guidelines contained in MFMA circular number 66, 67, 70, 72, 74 ,75, 78 and 79. It includes repairs and maintenance for other assets at R 2.8 million and repairs and maintenance for infrastructure assets at R 18 million (R 5.5 million for Roads and bridges and R2.5 million for electricity assets).

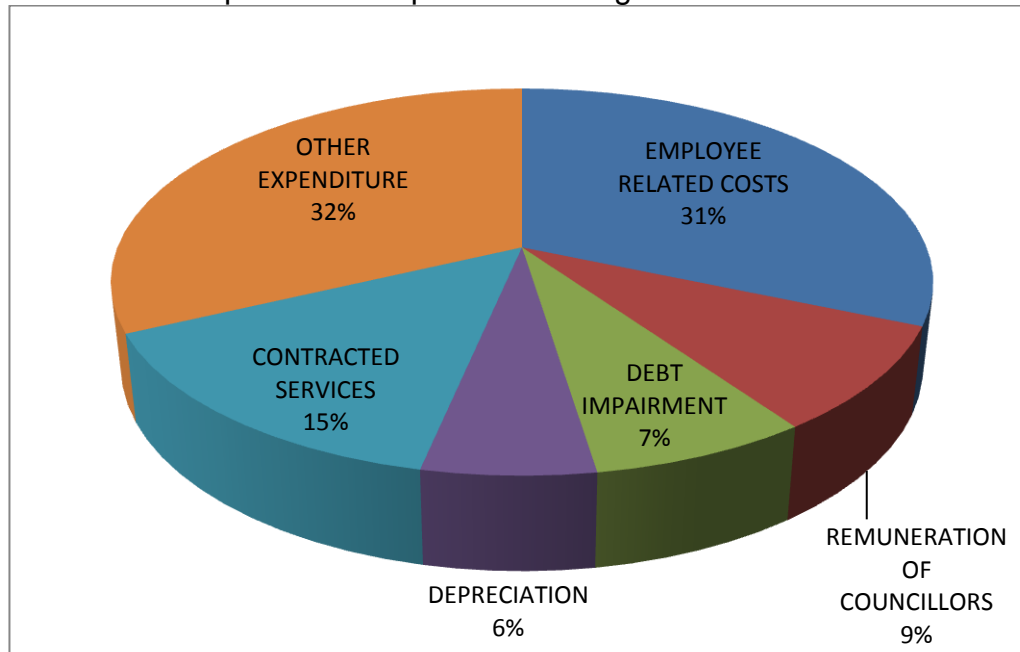
Other expenditure comprises of various line items relating to the daily operations of the municipality. Amongst other expenditures comprised in this group for 2016/2017 financial year, the municipality have budgeted incentives for ward committees at R3.7 million, training and capacity building of

councillors and ward committees at R600,000, mayor's special and outreach programmes at R 3.5 million, publications and branding of the municipality at R 8.6 million, Audit fees at R2.6 million, bursary fund at R2.2 million, travel and accommodation at R2.4 million, acquisition of land, spatial planning and land scarping at R2.7 million, SMME support and LED programmes at R2.4 million, free basic electricity at R4.1 million, disaster management programmes and sports and culture promotions at R1.8 million.

Furthermore, in compliance to the cost containment measures as approved by the cabinet, the municipality has reduced spending on excessive advertising, travelling, caterings, promotional materials and mandates that belong to other spheres of government for 2016/2017 MTREF. For further details on other expenditure refer to table SA1

The following bar chart gives a breakdown of the main expenditure categories for the 2016/2017 financial year.

Table 6 Main Operational Expenditure categories for 2016/2017 financial year



Description	Budget Amount 2016/17	Percentage
EMPLOYEE RELATED	74 145 840.42	32%
REMNERATION OF	20 792 343.00	9%
DEBT IMPAIRMENT	17 280 000.00	7%
DEPRECIATION	13 637 774.51	6%
CONTRACTED	37 601 659.93	16%
OTHER EXPENDITURE	69 231 543.96	30%
	232 689 161.82	100%

Priority given to repairs and maintenance

Considering National Treasury MFMA circular number 54, 55, 58, 59, 66,67, 70, 72, 74,75, 78 and 79 ,the municipality has put repairs and maintenance as one of the priorities to preserve and maintain the municipality's current infrastructure, to ensure that the existing assets are in good working conditions and to lengthen the assets life span. The 2016/17 budget and MTREF provide for a decrease in the area of asset maintenance as compared to the previous financial year 2014/15. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In the municipality's case, all repairs and maintenance services for the infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule. The repairs and maintenance budget for 2016/17 amount to R34.6 million,R38.6 million and R41.7 million for 2017/18 and 2018/19 respectively.

Repairs and maintenance expenditure budget amounts to 14.6 per cent of the municipality's budgeted operational expenditure for 2016/2017 which is a requirement in terms of the National Treasury MFMA circular number 66, 67, 70,72, 74 and 75 guidelines. For the two outer years, repairs and maintenance is budgeted at 13 per cent of the budgeted operational expenditure respectively.

Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to provide electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR Table A10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act and it has been allocated at R4.1 million for 2016/2017, R4.4 million and R4.7 million for 2017/18 and 2018/19 respectively.

Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

Table 3 2014/15 Medium-term capital budget per vote

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		47 453	73 658	116 295	116 690	133 490	133 490	133 490	106 684	123 571	133 403
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	47 453	73 658	116 295	116 690	133 490	133 490	133 490	106 684	123 571	133 403
Single-year expenditure to be appropriated	2										
Vote 1 - Council		–	–	–	–	–	–	–	2 300	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	4 700	3 700	3 700	3 700	5 500	3 000	2 000
Vote 4 - Infrastructure Development		1 028	941	–	2 100	2 100	2 100	2 100	7 000	–	–
Vote 5 - Community Services		–	–	–	1 000	500	500	500	2 500	1 500	2 000
Vote 6 - Corporate Services		1 358	4 054	1 037	2 250	4 050	4 050	4 050	2 500	2 680	2 500
Vote 7 - Budget and Treasury		859	5 677	10 167	7 300	7 300	7 300	7 300	8 700	4 500	3 500
Capital single-year expenditure sub-total		3 245	10 672	11 204	17 350	17 650	17 650	17 650	28 500	11 680	10 000
Total Capital Expenditure - Vote		50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	135 251	143 403

New Capital Assets

For 2016/2017 an amount of R135.1 million has been appropriated for the capital expenditure which will be funded by MIG to the amount of R57.3 million, R 7 million of INEG and equitable share to the amount of R 51.2 million. For 2017/2018 and 2018/2019 the budget has been appropriated at R 136.2 million and R144.4 million respectively.

Infrastructure and Development vote is appropriated the highest allocation of R 113.6 million in 2016/2017 which equates to 86 per cent of the total capital budget for 2016/17 to build roads and bridges, Budget and Treasury is allocated 6% per cent of the total capital budget. The remaining 8 per cent is allocated to Economic Development and Planning at 4 per cent, Corporate Services at 2 per cent and Community services at 2 per cent. For further detailed information on the capital budget, refer to table SA 36 which provides projects names and respective ward allocations.

Renewal of existing Assets

An amount of R 7 million is budgeted for the rehabilitation of the R579. No further budget is allocated to renewal of assets last outer years of the MTREF. This percentage is lower than the 40 per cent guideline by National Treasury, and is because the municipality during its assets verification process developed a report which indicates that the roads are still in good conditions as the most of them were newly constructed and therefore do not need renewal in the next three years. The only Assets which will be renewed is road R597

Some of the projects to be undertaken over the medium-term includes, amongst others:

- Construction of roads, bridges and storm water – R 261.1 million
- Renewal of existing Assets – R 7 million
- Acquisition of Property plant and Equipment – R 13.1 million

1.4 DRAFT ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2016/2017 MTREF

1.4.1 Table 7 MBRR A1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table A1 Budget Summary										
Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance										
Property rates	27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Service charges	—	—	—	—	—	—	—	—	—	—
Investment revenue	4 062	7 827	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370
Transfers recognised - operational	146 348	162 144	182 401	232 170	232 170	232 170	232 170	228 253	242 196	256 411
Other own revenue	13 689	18 952	23 899	25 086	27 081	27 081	27 081	27 932	28 011	32 104
Total Revenue (excluding capital transfers and contributions)	191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885
Employee costs	35 248	43 739	43 604	65 951	55 003	55 003	55 003	74 146	79 484	84 969
Remuneration of councillors	15 633	16 688	17 529	19 909	19 909	19 909	19 909	20 792	22 289	23 827
Depreciation & asset impairment	10 434	10 956	13 715	16 616	16 616	16 616	16 616	13 638	14 620	15 628
Finance charges	192	283	—	—	—	—	—	—	—	—
Materials and bulk purchases	—	—	—	—	—	—	—	—	—	—
Transfers and grants	—	—	—	—	—	—	—	—	—	—
Other expenditure	120 878	124 115	216 318	126 139	163 384	163 384	163 384	124 113	126 355	134 651
Total Expenditure	182 386	195 781	291 166	228 615	254 911	254 911	254 911	232 689	242 749	259 075
Surplus/(Deficit)	9 372	37 129	(46 905)	74 172	47 876	47 876	47 876	69 146	73 239	77 810
Transfers recognised - capital	24 383	41 539	54 735	59 950	60 450	60 450	60 450	66 210	63 599	67 230
Contributions recognised - capital & contributed a	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Capital expenditure & funds sources										
Capital expenditure	50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	135 251	143 403
Transfers recognised - capital	50 698	84 330	127 500	134 040	134 340	134 340	134 340	135 184	135 251	143 403
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	—	—	—	—	16 800	16 800	16 800	—	—	—
Total sources of capital funds	50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	135 251	143 403
Financial position										
Total current assets	140 812	152 606	143 429	87 169	101 258	101 258	101 258	134 822	172 076	211 735
Total non current assets	150 210	205 614	220 411	478 216	356 145	356 145	356 145	417 932	465 154	505 748
Total current liabilities	42 885	29 727	31 379	14 376	14 376	14 376	14 376	15 468	16 582	17 726
Total non current liabilities	3 252	3 059	2 813	3 744	3 744	3 744	3 744	4 028	4 318	4 616
Community wealth/Equity	244 885	325 434	329 648	547 265	439 283	439 283	439 283	533 257	616 329	695 140
Cash flows										
Net cash from (used) operating	97 544	86 327	111 214	155 273	133 541	133 541	133 541	166 273	169 982	180 471
Net cash from (used) investing	(50 681)	(83 940)	(128 798)	(161 843)	(176 963)	(176 963)	(176 963)	(135 184)	(135 251)	(143 403)
Net cash from (used) financing	(138)	(81)	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	127 395	129 702	112 117	105 548	68 696	(43 422)	(43 422)	99 785	134 516	171 584
Cash backing/surplus reconciliation										
Cash and investments available	127 395	129 702	112 117	51 932	68 696	68 696	68 696	99 785	134 516	171 584
Application of cash and investments	39 920	27 573	23 561	(11 788)	(6 094)	(6 094)	(6 094)	(7 285)	(7 809)	(7 880)
Balance - surplus (shortfall)	87 475	102 129	88 556	63 720	74 790	74 790	74 790	107 070	142 325	179 463
Asset management										
Asset register summary (WDV)	150 210	205 614	220 411	478 216	356 145	356 145	417 932	417 932	465 154	505 748
Depreciation & asset impairment	10 434	10 956	13 715	16 616	16 616	16 616	13 638	13 638	14 620	15 628
Renewal of Existing Assets	—	—	6 700	—	—	—	—	7 000	7 000	—
Repairs and Maintenance	13 988	15 447	22 626	32 798	45 498	45 498	23 853	23 853	25 551	26 703
Free services										
Cost of Free Basic Services provided	3 102	4 000	3 949	4 500	4 000	4 000	4 168	4 168	4 468	4 776
Revenue cost of free services provided	605	605	605	605	605	605	605	605	605	605
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

1.4.2 Table MBRR A2 – Budgeted Financial Performance (Standard Classification)

LIM473 Makhuduthamaga - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115
Expenditure - Standard										
<i>Governance and administration</i>		147 744	151 305	227 985	147 525	160 280	160 280	154 716	162 219	175 547
Executive and council		29 699	32 416	36 401	45 746	54 925	54 925	55 071	54 837	60 630
Budget and treasury office		102 406	102 898	172 732	81 989	88 285	88 285	77 050	81 576	86 672
Corporate services		15 640	15 991	18 853	19 791	17 069	17 069	22 596	25 807	28 245
<i>Community and public safety</i>		9 267	12 062	12 323	22 398	17 311	17 311	24 270	26 395	27 967
Community and social services		2 461	4 205	3 346	6 863	4 881	4 881	6 959	6 053	6 158
Sport and recreation		1 186	368	970	2 100	1 900	1 900	1 040	1 387	1 136
Public safety		5 590	7 471	8 008	13 436	10 530	10 530	16 271	18 956	20 673
Housing		30	18	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		18 118	25 405	38 479	46 345	60 642	60 642	42 468	42 208	42 032
Planning and development		5 025	7 333	9 453	17 756	17 219	17 219	17 041	15 319	14 167
Road transport		13 093	18 072	29 026	28 589	43 423	43 423	25 427	26 890	27 865
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7 256	7 010	12 378	12 347	16 678	16 678	11 235	11 926	13 530
Electricity		5 279	4 274	8 764	6 980	10 480	10 480	7 116	7 449	8 290
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 978	2 736	3 614	5 367	6 197	6 197	4 118	4 478	5 240
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	182 386	195 781	291 166	228 615	254 911	254 911	232 689	242 749	259 075
Surplus/(Deficit) for the year		33 755	78 668	7 830	134 122	108 326	108 326	135 356	136 838	145 040

1.4.3 Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)

LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote	1									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		29 699	32 416	32 139	39 487	49 262	49 262	47 763	47 461	52 676
Vote 2 - Office of the Municipal Manager		-	-	4 262	6 259	5 664	5 664	7 308	7 376	7 953
Vote 3 - Economic Development and Planning		5 025	7 333	9 453	17 756	17 219	17 219	17 041	15 319	14 167
Vote 4 - Infrastructure Development		18 402	22 364	37 790	35 569	53 903	53 903	32 543	34 338	36 155
Vote 5 - Community Services		11 215	14 780	15 937	27 765	23 509	23 509	28 388	30 873	33 207
Vote 6 - Corporate Services		15 640	15 991	18 853	19 791	17 069	17 069	22 596	25 807	28 245
Vote 7 - Budget and Treasury		102 406	102 898	172 732	81 989	88 285	88 285	77 050	81 576	86 672
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	182 386	195 781	291 166	228 615	254 911	254 911	232 689	242 749	259 075
Surplus/(Deficit) for the year	2	33 755	78 668	7 830	134 122	108 326	108 326	135 356	136 838	145 040

1.4.4 Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other											
Rental of facilities and equipment		26	75	106	95	115	115	115	121	121	125
Interest earned - external investments		4 062	7 827	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370
Interest earned - outstanding debtors		8 938	12 455	17 087	17 998	20 498	20 498	20 498	20 998	21 058	23 757
Dividends received											
Fines		8	156	635	525	579	579	579	630	632	635
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		3 791	4 039	4 400	5 159	4 909	4 909	4 909	5 154	5 169	6 526
Transfers recognised - operational		146 348	162 144	182 401	232 170	232 170	232 170	232 170	228 253	242 196	256 411
Other revenue	2	927	2 227	1 669	1 310	980	980	980	1 029	1 032	1 061
Gains on disposal of PPE		–	–	2	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885
Expenditure By Type											
Employee related costs	2	35 248	43 739	43 604	65 951	55 003	55 003	55 003	74 146	79 484	84 969
Remuneration of councillors		15 633	16 688	17 529	19 909	19 909	19 909	19 909	20 792	22 289	23 827
Debt impairment	3	45 986	36 155	27 989	18 935	30 000	30 000	30 000	17 280	18 524	19 802
Depreciation & asset impairment	2	10 434	10 956	13 715	16 616	16 616	16 616	16 616	13 638	14 620	15 628
Finance charges		192	283	–	–	–	–	–	–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		25 732	28 484	35 387	45 820	58 520	58 520	58 520	37 602	40 650	43 284
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	34 692	41 567	55 299	61 383	74 863	74 863	74 863	69 232	67 181	71 564
Loss on disposal of PPE		14 469	17 909	97 643	–	–	–	–	–	–	–
Total Expenditure		182 386	195 781	291 166	228 615	254 911	254 911	254 911	232 689	242 749	259 075
Surplus/(Deficit)		9 372	37 129	(46 905)	74 172	47 876	47 876	47 876	69 146	73 239	77 810
Transfers recognised - capital		24 383	41 539	54 735	59 950	60 450	60 450	60 450	66 210	63 599	67 230
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040

1.4.5 Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 4 - Infrastructure Development		47 453	73 658	116 295	116 690	133 490	133 490	133 490	106 684	123 571	133 403
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 7 - Budget and Treasury		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	47 453	73 658	116 295	116 690	133 490	133 490	133 490	106 684	123 571	133 403
Single-year expenditure to be appropriated	2										
Vote 1 - Council		–	–	–	–	–	–	–	2 300	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		–	–	–	4 700	3 700	3 700	3 700	5 500	3 000	2 000
Vote 4 - Infrastructure Development		1 028	941	–	2 100	2 100	2 100	2 100	7 000	–	–
Vote 5 - Community Services		–	–	–	1 000	500	500	500	2 500	1 500	2 000
Vote 6 - Corporate Services		1 358	4 054	1 037	2 250	4 050	4 050	4 050	2 500	2 680	2 500
Vote 7 - Budget and Treasury		859	5 677	10 167	7 300	7 300	7 300	7 300	8 700	5 500	4 500
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		3 245	10 672	11 204	17 350	17 650	17 650	17 650	28 500	12 680	11 000
Total Capital Expenditure - Vote		50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	136 251	144 403
Capital Expenditure - Standard											
Governance and administration		2 217	9 731	11 204	9 550	11 350	11 350	11 350	13 500	8 180	7 000
Executive and council		–	–	–	–	–	–	–	2 300	–	–
Budget and treasury office		859	5 677	10 167	7 300	7 300	7 300	7 300	8 700	5 500	4 500
Corporate services		1 358	4 054	1 037	2 250	4 050	4 050	4 050	2 500	2 680	2 500
Community and public safety		–	–	–	1 000	500	500	500	1 000	1 500	2 000
Community and social services		–	–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	1 000	500	500	500	1 000	1 500	2 000
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		47 453	73 658	116 295	121 390	137 190	137 190	137 190	112 184	126 571	135 403
Planning and development		–	–	–	4 700	3 700	3 700	3 700	5 500	3 000	2 000
Road transport		47 453	73 658	116 295	116 690	133 490	133 490	133 490	106 684	123 571	133 403
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		1 028	941	–	2 100	2 100	2 100	2 100	8 500	–	–
Electricity		1 028	941	–	2 100	2 100	2 100	2 100	7 000	–	–
Water		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	1 500	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	136 251	144 403
Funded by:											
National Government		24 383	41 539	52 019	59 950	59 950	59 950	59 950	59 210	63 599	67 230
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		26 315	42 791	75 481	74 090	74 390	74 390	74 390	75 974	72 652	77 173
Transfers recognised - capital	4	50 698	84 330	127 500	134 040	134 340	134 340	134 340	135 184	136 251	144 403
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds	6	–	–	–	–	16 800	16 800	16 800	–	–	–
Total Capital Funding	7	50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	136 251	144 403

1.4.6 Table MBRR A6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		127 395	129 702	112 117	51 932	68 696	68 696	68 696	88 158	117 369	147 473
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	1 544	3 422	13 590	19 223	19 223	19 223	19 223	20 683	22 173	23 703
Other debtors		11 494	18 719	17 315	15 600	12 925	12 925	12 925	13 907	14 908	15 937
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	378	763	407	415	415	415	415	447	479	512
Total current assets		140 812	152 606	143 429	87 169	101 258	101 258	101 258	123 195	154 929	187 624
Non current assets											
Long-term receivables											
Investments											
Investment property		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172
Investment in Associate											
Property, plant and equipment	3	148 652	203 434	218 385	475 181	352 909	352 909	352 909	412 734	460 531	501 701
Agricultural											
Biological											
Intangible		387	1 009	854	1 864	2 064	2 064	2 064	4 027	3 451	2 876
Other non-current assets											
Total non current assets		150 210	205 614	220 411	478 216	356 145	356 145	356 145	417 932	465 154	505 748
TOTAL ASSETS		291 022	358 220	363 840	565 385	457 403	457 403	457 403	541 127	620 083	693 372
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	42 885	29 727	31 379	14 376	14 376	14 376	14 376	15 468	16 582	17 726
Provisions											
Total current liabilities		42 885	29 727	31 379	14 376	14 376	14 376	14 376	15 468	16 582	17 726
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		3 252	3 059	2 813	3 744	3 744	3 744	3 744	4 028	4 318	4 616
Total non current liabilities		3 252	3 059	2 813	3 744	3 744	3 744	3 744	4 028	4 318	4 616
TOTAL LIABILITIES		46 137	32 786	34 192	18 120	18 120	18 120	18 120	19 497	20 901	22 343
NET ASSETS	5	244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029

1.4.7 Table MBRR A7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		4 878	1 585	8 425	16 414	10 414	10 414	10 414	28 370	33 521	35 000
Service charges									-	-	-
Other revenue		4 526	4 537	5 169	27 101	27 101	27 101	27 101	20 267	22 378	24 996
Government - operating	1	192 035	185 806	232 147	232 170	232 170	232 170	232 170	228 253	242 196	256 411
Government - capital	1	-	-	-	59 950	60 450	60 450	60 450	66 210	63 599	67 230
Interest		12 647	20 045	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370
Dividends									-	-	-
Payments											
Suppliers and employees		(116 528)	(125 644)	(142 647)	(193 064)	(208 296)	(208 296)	(208 296)	(201 771)	(209 605)	(223 644)
Finance charges		(13)	(2)	-	-	-	-	-	-	-	-
Transfers and Grants	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		97 544	86 327	111 214	155 273	133 541	133 541	133 541	153 554	164 348	173 362
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		17	390	7	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(50 698)	(84 330)	(128 805)	(161 843)	(176 963)	(176 963)	(176 963)	(134 091)	(135 137)	(143 259)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(50 681)	(83 940)	(128 798)	(161 843)	(176 963)	(176 963)	(176 963)	(134 091)	(135 137)	(143 259)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(138)	(81)	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(138)	(81)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		46 725	2 307	(17 585)	(6 570)	(43 422)	(43 422)	(43 422)	19 462	29 211	30 104
Cash/cash equivalents at the year begin:	2	80 670	127 395	129 702	112 117	112 117	112 117	112 117	68 696	88 158	117 369
Cash/cash equivalents at the year end:	2	127 395	129 702	112 117	105 548	68 696	68 696	68 696	88 158	117 369	147 473

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality fell significantly over the 2015/16 budget year but however the municipality is managing to reach a positive cash movements in the 2016/17 MTREF.
4. The 2016/17 MTREF provide for a net increase in cash of R19.4 million for the 2016/17 financial year, net increase of R29.2 million in 2017/18 and R30.1 million in 2018/19.

5. Cash Flow from Operating activities;

The municipality has projected to receive R 28.3 million from Property rates and R20 million from other revenue which consists mainly of VAT recovery for capital expenditure. Transfers from National government are projected to be received 100%. Trade and other payables as indicated in table A6 has been subtracted from the total expenditure included in the cash flow and non cash flow items such as depreciation and debt impairment has been disregarded in the calculations.

The municipality's council is currently engaging relevant stake holders to ensure a better collection rate in property rates and to ensure a better implementation of service charges in the near future.

Capital Assets expenditure and cash paid to suppliers and employees increases over the 2016/17 MTREF due to increase in employee costs, operational expenditure budget, capital expenditure budget and the projected creditors balance at the end of each budget year.

1.4.8 Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	127 395	129 702	112 117	105 548	68 696	68 696	68 696	88 158	117 369	147 473
Other current investments > 90 days		-	-	-	(53 616)	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		127 395	129 702	112 117	51 932	68 696	68 696	68 696	88 158	117 369	147 473
Application of cash and investments											
Unspent conditional transfers		25 823	7 792	2 717	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	14 097	19 781	20 845	(11 788)	(6 094)	(6 094)	(6 094)	(11 952)	(17 104)	(17 714)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		39 920	27 573	23 561	(11 788)	(6 094)	(6 094)	(6 094)	(11 952)	(17 104)	(17 714)
Surplus(shortfall)		87 475	102 129	88 556	63 720	74 790	74 790	74 790	100 110	134 473	165 186

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2017/18 to 2018/19 the municipality's budget is properly funded and reflect surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2016/17MTREF was fully funded.
7. The municipality does not have noncurrent investments and no projection has been made for unspent conditional grants as we plan to utilise 100% of the allocation by year end.

1.4.9 Table MBRR table A9 – Asset Management

LIM473 Makhuduthamaga - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	50 698	84 330	120 800	134 040	151 140	151 140	128 184	129 251	144 403
Infrastructure - Road transport		47 453	73 658	109 595	116 690	133 490	133 490	99 684	116 571	133 403
Infrastructure - Electricity		1 028	941	—	2 100	2 100	2 100	7 000	—	—
Infrastructure - Water		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	4 700	3 700	3 700	5 500	3 000	2 000
Infrastructure		48 481	74 599	109 595	123 490	139 290	139 290	112 184	119 571	135 403
Community		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	2 210	8 610	11 204	10 550	11 850	11 850	16 000	9 680	9 000
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		7	1 121	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	—	—	6 700	—	—	—	7 000	7 000	—
Infrastructure - Road transport		—	—	6 700	—	—	—	7 000	7 000	—
Infrastructure - Electricity		—	—	—	—	—	—	—	—	—
Infrastructure - Water		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	—	—	—	—	—	—
Infrastructure		—	—	6 700	—	—	—	7 000	7 000	—
Community		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	—	—	—	—	—	—	—	—	—
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	47 453	73 658	116 295	116 690	133 490	133 490	106 684	123 571	133 403
Infrastructure - Road transport		1 028	941	—	2 100	2 100	2 100	7 000	—	—
Infrastructure - Electricity		—	—	—	—	—	—	—	—	—
Infrastructure - Water		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	4 700	3 700	3 700	5 500	3 000	2 000
Infrastructure		48 481	74 599	116 295	123 490	139 290	139 290	119 184	126 571	135 403
Community		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	2 210	8 610	11 204	10 550	11 850	11 850	16 000	9 680	9 000
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		7	1 121	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	2	50 698	84 330	127 500	134 040	151 140	151 140	135 184	136 251	144 403
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		123 763	173 913	182 801	413 142	290 771	290 771	383 361	448 482	485 176
Infrastructure - Electricity		3 478	3 168	2 858	5 703	5 703	5 703	3 000	4 000	5 000
Infrastructure - Water		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	4 700	3 700	3 700	5 500	3 000	2 000
Infrastructure		127 241	177 081	185 659	418 845	296 474	296 474	386 361	452 482	490 176
Community		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172
Other assets		21 412	26 353	32 727	56 335	56 435	56 435	26 373	8 049	11 524
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		387	1 009	854	1 864	2 064	2 064	4 027	3 451	2 876
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	150 210	205 614	220 411	478 216	356 145	356 145	417 932	465 154	505 748
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	10 434	10 956	13 715	16 616	16 616	16 616	13 638	14 620	15 628
Repairs and Maintenance by Asset Class		13 988	15 447	22 626	32 798	45 498	45 498	23 853	25 551	26 703
Infrastructure - Road transport		11 756	14 582	20 734	22 550	37 550	37 550	15 500	18 000	19 000
Infrastructure - Electricity		—	—	—	2 100	4 100	4 100	2 500	2 500	3 000
Infrastructure - Water		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	—	—	—	—	—	—
Infrastructure		11 756	14 582	20 734	24 650	41 650	41 650	18 000	20 500	22 000
Community		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6, 7	2 232	865	1 892	8 148	3 848	3 848	5 853	5 051	4 703
TOTAL EXPENDITURE OTHER ITEMS		24 422	26 403	36 340	49 414	62 114	62 114	37 491	40 171	42 331
Renewal of Existing Assets as % of total capex		0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	5.2%	5.1%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	48.9%	0.0%	0.0%	0.0%	51.3%	47.9%	0.0%
R&M as a % of PPE		9.4%	7.6%	10.4%	6.9%	12.9%	12.9%	5.8%	5.5%	5.3%
Renewal and R&M as a % of PPE		9.0%	8.0%	13.0%	7.0%	13.0%	13.0%	7.0%	7.0%	5.0%

1.4.11 Table 16 MBRR table A10 – Basic Service delivery measurement

LIM473 Makhuduthamaga - Table A10 Basic service delivery measurement										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per mo		9 981	9 981	9 981	9 981	9 981	9 981	9 981	9 981	9 981
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-

Cost of Free Basic Services provided - Formal	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent household)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent household)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal		3 102	4 000	3 949	4 500	4 000	4 000	4 168	4 468	4 776
Total cost of FBS provided		3 102	4 000	3 949	4 500	4 000	4 000	4 168	4 468	4 776
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of subsidised services provided	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		605	605	605	605	605	605	605	605	605
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent household)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent household)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		605	605	605	605	605	605	605	605	605

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality's indigent register with electricity tokens (Free Basic Electricity) and the other basic services as listed in table A10 are performed by the Greater Sekhukhune District Municipality. It must be noted also that as the municipality does not sell electricity, but purchase the electricity from Eskom, therefore the revenue costs for providing free basic electricity is Zero.
3. The following are the services that are provided by the district municipality and hence, no information has been completed on the table A10 of the municipality's Annual budget for 2016/2017 MTREF:
 - a. Water services
 - b. Sanitation services
 - c. Electricity services
 - d. Refuse services
4. The budget provides for 110 000 households to be registered as indigent in 2015/16, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality R4.1 million in 2016/17, increasing to R4.4 million in 2017/18 and R4.7 million in 2018/2019. This is covered by the municipality's equitable share allocation from national government.
5. The revenue foregone to the amount of R 605 thousands for Property rates is for residential households which are not billed as per council resolution.

PART 2 – SUPPORTING DOCUMENTS

2.1 Overview of municipal draft budget process.

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee of the municipality consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio chairperson for Finance.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

The budget steering committee had regular meetings to deal with the IDP/Budget processes as contained in the municipality's approved time schedule that sets out the process to review the IDP and prepare the annual budget.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31 July 2015. Key dates applicable to the process were adhered to and progress was reported to council quarterly

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fifth review of the IDP as adopted by Council in May 2011. It started in 2015 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/17 MTREF.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the

Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59, 66, 67, 70, 72, 74,75, 78 and 79 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The consultation schedule for draft 2016/17 MTREF which was tabled before Council on 30 March 2016 is published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and the municipality's community libraries and at tribal offices.

All documents in the appropriate format (electronic and printed) will be submitted to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA and MFMA circular number 79 and 80, to provide an opportunity for them to ensure that their inputs are incorporated in the final budget and for monitoring purposes. Inputs received from the Provincial Treasury will be considered and where necessary and appropriate will be included in the final budget for 2016/17 and the MTREF when it is approved in May 2016.

Ward Committees will be utilised to facilitate the community consultation process. The applicable dates and venues which are published on municipality's websites, notice boards and to be published in a newspaper and the local community radio station are as follows. Individual sessions are scheduled and will be conducted with organised businesses and other stakeholders to further ensure transparency and interaction. Other stakeholders that will be involved in the consultation include churches, non-governmental institutions, local chiefs, traditional healers, youth, people with disabilities and community-based organisations.

Consultation notice and timetable.

2016/ 2017 IDP/ BUDGET STAKEHOLDERS CONSULTATION PROGRAMME

Date	Target Audience /Wards	Time	Venue
11.04.2016	Traditional healers Council, HIV/Aids Councils, Safety Council, NAFCOC, LED forum, NGOs and CBOs	10h00	Municipal Council
12.04.2016	Wards 1-9	09h00	Eensaam Sports Ground
13.04.2016	Wards 12,13,14,15,16,17, 22 and 23	09h00	Maloma Village (Makatane Sports Ground)
14.04.2016	Wards 10,11,18,19,20 and 21	09h00	Zamane(Tigers Sports Ground)
15.04.2016	Wards 24,25,26,27,28,29,30 and 31	09h00	Kolokotela Sports Ground
18.04.2016	Municipal Staff	09h00	Municipal Chamber
19.04.2016	Special focus groups (Youth, Women, the elderly and Person living with Disabilities)	09h00	Municipal Chamber
20.04.2016	Magoshi	09h00	Municipal Chamber
25.04.2016	IDP Steering committee	09h00	Municipal Chamber
26.04.2016	IDP Representative Forum	09h00	Municipal Chamber

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be considered and where relevant will be included as part of the final budget for the 2016/17 MTREF.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Our municipal IDP that provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the municipal council, was first adopted on 31 May 2011. This plan aligns the resources and the capacity of a municipality to its overall development aims and

guides the municipal budget. The municipality's IDP is therefore a key instrument which was used to provide vision, leadership and direction to all those that have a role to play in the development of the municipality. The IDP enables the municipality to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

2016/2017 Financial year	2017/2018 Financial year
To ensure sustainable use of land and promote growth and development.	To ensure sustainable use of land and promote growth and development.
To improve quality of life of our citizens through sustainable roads infrastructure.	To improve quality of life of our citizens through sustainable roads infrastructure.
To create an environment that will develop, stimulate and strengthen local economic growth.	To create an environment that will develop, stimulate and strengthen local economic growth.
To provide sound and sustainable management of the financial affairs of the municipality.	To provide sound and sustainable management of the financial affairs of the municipality.
To effectively coordinate all general administrative, governance, human resources, IT and legal services.	To effectively coordinate all general administrative, governance, human resources, IT and legal services.
To provide assurance and build internal and public confidence on internal and external	To provide assurance and build internal and public confidence on internal and external

operations of the municipality and its stakeholders.	operations of the municipality and its stakeholders.
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In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide waste removal;
 - Provide roads and storm water;
 - Provide municipal planning services; and
 - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches through the EPWP programme in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to assist on matters affecting primary health care.
 - Extending waste removal services and ensuring effective municipal cleansing;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
 - Provision of bursaries for well deserving students who are financially needy.
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance and transparency through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure management strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

The 2016/17 draft budget and the MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection rate for property rates debtors			27 660	43 987	29 841	32 828	31 834	31 834	33 426	33 521	35 000	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved revenue collection on rental of municipal assets.			26	75	106	95	115	115	121	121	125	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	increase revenue generation through interests on investments.			4 062	7 827	8 119	12 702	11 702	11 702	12 225	12 259	13 370	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improved collection rate on interests for overdue accounts.			8 938	12 455	17 087	17 998	20 498	20 498	20 998	21 058	23 757	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	To maximise adherence to roads laws and regulations.			8	156	635	525	579	579	630	632	635	
To secure sound and sustainable management of fiscus and financial affairs of the institution.				3 791	4 039	4 400	5 159	4 909	4 909	5 154	5 169	6 526	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of the total equitable share grant allocated for our municipality			146 348	162 144	182 401	232 170	232 170	232 170	228 253	242 196	256 411	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Improve collection rate on VAT input and other revenue			927	2 227	1 669	1 310	980	980	1 029	1 032	1 061	
To secure sound and sustainable management of fiscus and financial affairs of the institution.	Receipt of total allocation of MIG grant.			24 383	41 539	54 735	59 950	60 450	60 450	66 210	63 599	67 230	
To recover some of the initial costs of acquiring the assets for re-investment purposes.				—	—	2							
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and				1	216 141	274 449	298 996	362 737	363 237	363 237	368 045	379 587	404 115

Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted Operational Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
To coordinate all general administrative, governance, human resources, IT and legal services	improved and efficient institutional governance			3 030	–	36 401	45 746	54 925	54 925	7 308	7 376	7 953
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.			18 402	22 364	37 790	35 569	53 903	53 903	35 505	38 322	41 497
To create an environment that will develop, stimulate and strengthen local economic growth.	improved economic growth			5 025	7 333	9 453	17 756	17 219	17 219	42 468	42 208	42 032
To secure sound and sustainable management of fiscus and financial affairs of the institution.	financially viable municipality			102 406	102 898	172 732	81 989	88 285	88 285	77 050	81 576	86 672
To Improve Internal and External operation of the municipality and its stakeholders	Practice of good governance			42 309	48 407	18 853	19 791	17 069	17 069	47 763	47 461	52 676
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.			11 215	14 780	15 937	27 765	23 509	23 509	22 596	25 807	28 245
Allocations to other priorities												
Total Expenditure			1	182 386	195 781	291 166	228 615	254 911	254 911	232 689	242 749	259 075

Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted Capital Expenditure.

LIM473 Makhuduthamaga - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
To coordinate all general administrative, governance, human resources, IT and legal services	improved and efficient institutional governance	A		–	–					2 300	–	–
To Improve quality of life.	Improved service delivery and eradication of service delivery backlog.	B		48 481	74 599	116 295	123 490	139 290	139 290	112 184	126 571	135 403
To create an environment that will develop, stimulate and strengthen local economic growth.	improved economic growth	C		–	–	–	–	–	–	–	–	–
To secure sound and sustainable management of fiscus and financial affairs of the institution.	financially viable municipality	D		859	5 677	10 167	7 300	7 300	7 300	8 700	4 500	3 500
To Improve Internal and External operation of the municipality and its stakeholders	Practice of good governance	E		1 358	4 054	1 037	2 250	4 050	4 050	2 500	2 680	2 500
To improve the safety of the community members through public safety law enforcement	Proritise the safety of members of the community	F		–	–	–	1 000	500	500	9 500	1 500	2 000
Allocations to other priorities			3									
Total Capital Expenditure			1	50 698	84 330	127 500	134 040	151 140	151 140	135 184	135 251	143 403

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

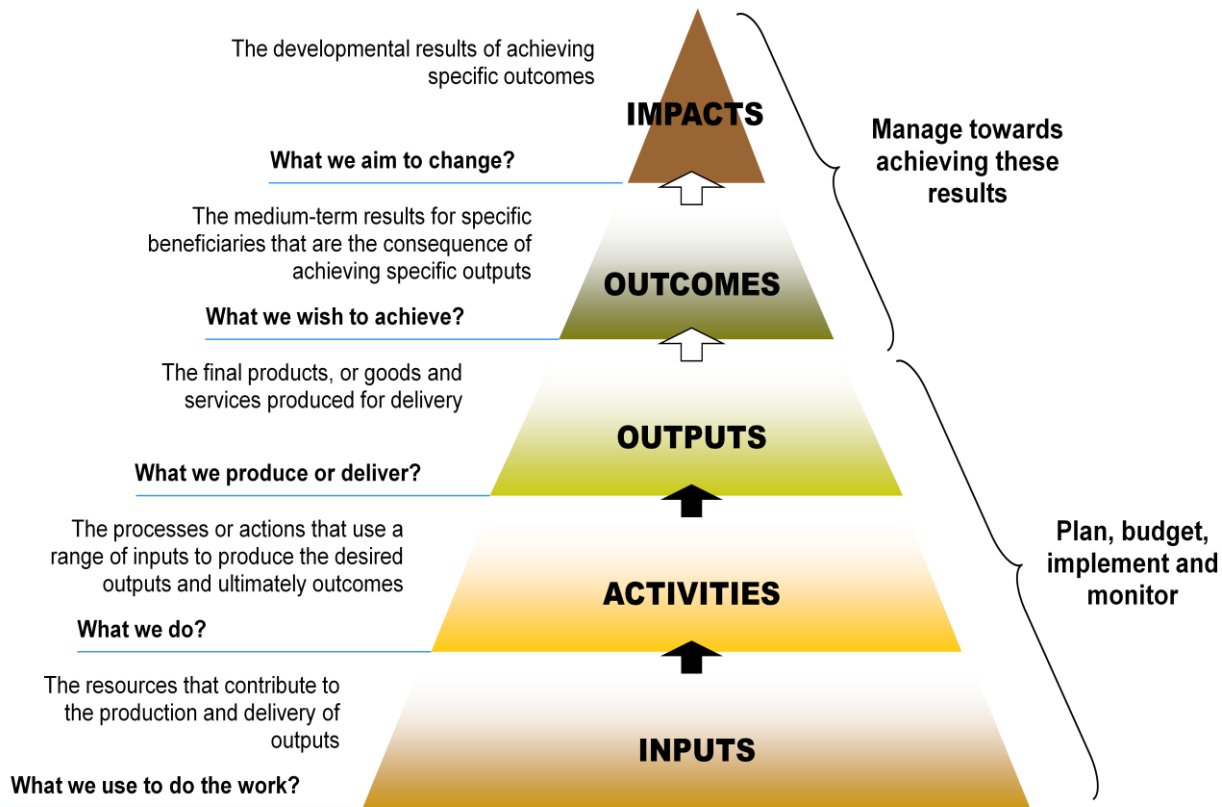


Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

LIM473 Makhuduthamaga - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'ow n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	3.3	5.1	4.6	6.1	7.0	7.0	7.0	8.7	10.4	11.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	3.3	5.1	4.6	6.1	7.0	7.0	7.0	8.7	10.4	11.9
Liquidity Ratio	Monetary Assets/Current Liabilities	3.0	4.4	3.6	3.6	4.8	4.8	4.8	6.5	8.1	9.7
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		17.6%	3.6%	28.2%	50.0%	32.7%	32.7%	32.7%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		17.6%	3.6%	28.2%	50.0%	32.7%	32.7%	32.7%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	6.8%	9.5%	12.7%	11.5%	10.6%	10.6%	10.6%	11.5%	11.7%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		13.4%	16.9%	25.6%	13.6%	20.9%	-33.1%	-33.1%	15.5%	12.3%	10.3%

Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0	0	0	0	0	0	0	0	0	0
	Total Cost of Losses (Rand '000)	-	-	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Water Distribution Losses (2)	Total Volume Losses (kℓ)	-	-	-	-	-	-	-	-	-	-
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	18.4%	18.8%	17.9%	21.8%	18.2%	18.2%	18.2%	24.6%	25.2%	25.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	26.4%	25.9%	26.4%	29.7%	26.1%	26.1%		31.5%	32.2%	32.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.3%	6.6%	9.3%	10.8%	15.0%	15.0%		7.9%	8.1%	7.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.5%	4.8%	5.6%	5.5%	5.5%	5.5%	5.5%	4.5%	4.6%	4.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	2.3	8.7	4.9	6.0	6.0	6.0	2.1	2.2	2.0	2.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	47.1%	50.2%	103.2%	105.8%	100.6%	100.6%	100.6%	103.1%	110.2%	112.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.2	11.0	9.2	7.2	4.3	(2.7)	(2.7)	6.7	8.6	10.3

2.3.1 Performance indicators and benchmarks

2.3.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. Our municipality is not planning to make use of borrowed funds to fund its capital expenditure for 2016/2017 MTREF due to poor own revenue collection rate.

2.3.1.2 *Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio of our municipality remains at 0:1 or zero per cent for 2016/2017 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

2.3.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 financial year the current ratio is 4.6 as per the audited annual financial statements for 30 June 2015. For the 2015/16 financial year, it is estimated to be at 7. It is further estimated to be at 8.7, 10.4 and 11.9 for 2016/17 and the two outer years of the 2016/17 MTREF respectively. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2016/17 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

2.3.1.4 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been put in place to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.
- The significant percentage of our debtors are government departments which did not pay their accounts because of various reasons provided to the municipality which includes budget issues and lack of certain information from the municipality 's side. We have worked hard to

compile all information required to prove the accuracy of the billings and submitted it to all affected departments.

2.3.1.5 *Creditors Management*

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of the receipt of the invoice in the previous financial year. As our liquidity ratio is in good order we will not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation in 2016/17 and the MTREF. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue continues to increase for the 2016/17 MTREF as the municipality is filling critical vacancies to assist in efficient acceleration of service delivery to address the municipality's backlog.
- Repairs and maintenance as percentage of operating revenue is dropping from 15 per cent in 2015/16 to 7.9 percent in 2016/17 due limitation in funds available and the fact that most of our infrastructure assets are new. The municipality will always ensure that its existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

2.3.2 **Free Basic Services: basic electricity tokens for indigent households**

The free basic electricity token assists residents that have difficulty paying for electricity services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2015/16 financial year registered indigents are been provided with a fifty (50) KWh token per household per month at a total cost R4 million to the municipality. The cost of free basic electricity increases to R4.1 million in 2016/2017 financial year and increases to R 4.4 million and R 4.7 million in 2017/18 and 2018/19 respectively. The total amount of units provided per household remains at 50 KWh for the 2016/17 MTREF.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 16 MBRR A10 (Basic Service Delivery Measurement)

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies of the municipality.

2.4.1 Review of credit control and debt collection procedures/policies

The Debt Collection Policy as approved by Council in May 2015 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 50 per cent on current debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels and since these overdue debtors has not paid in the past two financial years and an impairment was made to their balances as at 30 June 2015, the municipality has not made any projection for them in the cash flow statement for 2016/17 MTREF. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Budget Policy

The adjustments budget process is governed by various provisions in the MFMA and the Budget policy of the municipality which is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process is utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2015. This policy is under review and the amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was adopted by Council in May 2015. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.4.5 Tariff Policies

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was adopted by council on May 2014 and is currently under review. The reviewed policy will be submitted to council for approval in May 2016.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's available cash.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

2.5.4 Collection rate for revenue services

The municipality's assumption is that, the reduction of the property rates tariff implemented from 1 July 2012 will be affordable to the rate payers and collection will increase significantly as compared to the previous years.

The rate of revenue collection is currently expressed as a percentage (20 per cent) of annual billings. Cash flow for 2016/17 is expected to be 50 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy.

2.5.5 Salary increases

We have budgeted salary increases as per the National Treasury Circular number 78 and 79. We budgeted an increase of 7.6 per cent, 7.2 per cent and 6.9 per cent for 2016/2017, 2017/2018 and 2018/2019 respectively for all employees with exclusion of Section 56 employees and councillors.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives are:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 22 Breakdown of the operating revenue over the medium-term

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - other											
Rental of facilities and equipment		26	75	106	95	115	115	115	121	121	125
Interest earned - external investments		4 062	7 827	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370
Interest earned - outstanding debtors		8 938	12 455	17 087	17 998	20 498	20 498	20 498	20 998	21 058	23 757
Dividends received											
Fines		8	156	635	525	579	579	579	630	632	635
Licences and permits		–	–								
Agency services		3 791	4 039	4 400	5 159	4 909	4 909	4 909	5 154	5 169	6 526
Transfers recognised - operational		146 348	162 144	182 401	232 170	232 170	232 170	232 170	228 253	242 196	256 411
Other revenue	2	927	2 227	1 669	1 310	980	980	980	1 029	1 032	1 061
Gains on disposal of PPE		–	–	2	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the determination of the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2016/17 MTREF for Property rates can be shown as follows:

Table 4 Approved tariff reduction over the medium-term

Revenue category	Approved tariff 2015/2016	Approved tariff 2016/2017	Proposed tariff 2017/2018	Proposed tariff 2018/2019
Property Rates	2 cents	2 cents	2 cents	2 cents

2.6.2 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand-ability for councillors and management of the municipality. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue:

Table 28 MBRR Table A7 - Budget cash flow statement

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows

Description		Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates, penalties & collection charges			4 878	1 585	8 425	16 414	10 414	10 414	10 414	28 370	33 521	35 000	
Service charges										-	-	-	
Other revenue			4 526	4 537	5 169	27 101	27 101	27 101	27 101	20 267	22 378	24 996	
Government - operating		1	192 035	185 806	232 147	232 170	232 170	232 170	232 170	228 253	242 196	256 411	
Government - capital		1	-	-	-	59 950	60 450	60 450	60 450	66 210	63 599	67 230	
Interest			12 647	20 045	8 119	12 702	11 702	11 702	11 702	12 225	12 259	13 370	
Dividends										-	-	-	
Payments													
Suppliers and employees			(116 528)	(125 644)	(142 647)	(193 064)	(208 296)	(208 296)	(208 296)	(201 771)	(209 605)	(223 644)	
Finance charges			(13)	(2)	-	-	-	-	-	-	-	-	
Transfers and Grants		1								-	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES				97 544	86 327	111 214	155 273	133 541	133 541	133 541	153 554	164 348	173 362
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE			17	390	7	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors										-	-	-	
Decrease (increase) other non-current receivables										-	-	-	
Decrease (increase) in non-current investments										-	-	-	
Payments													
Capital assets			(50 698)	(84 330)	(128 805)	(161 843)	(176 963)	(176 963)	(176 963)	(134 091)	(135 137)	(143 259)	
NET CASH FROM/(USED) INVESTING ACTIVITIES				(50 681)	(83 940)	(128 798)	(161 843)	(176 963)	(176 963)	(176 963)	(134 091)	(135 137)	(143 259)
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans										-	-	-	
Borrowing long term/refinancing										-	-	-	
Increase (decrease) in consumer deposits										-	-	-	
Payments													
Repayment of borrowing			(138)	(81)	-					-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES				(138)	(81)	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD													
			46 725	2 307	(17 585)	(6 570)	(43 422)	(43 422)	(43 422)	19 462	29 211	30 104	
Cash/cash equivalents at the year begin:		2	80 670	127 395	129 702	112 117	112 117	112 117	112 117	68 696	88 158	117 369	
Cash/cash equivalents at the year end:		2	127 395	129 702	112 117	105 548	68 696	68 696	68 696	88 158	117 369	147 473	

The above table shows a net decrease in cash held for 2015/2016 and the 2016/17 MTREF which is covered by the favourable cash balances at the beginning of each year. The municipality 's cash and cash equivalents shows a decreasing trend as the municipality use the cash saved from previous financial years to fund infrastructure projects in 2015/16.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	127 395	129 702	112 117	105 548	68 696	68 696	68 696	88 158	117 369	147 473
Other current investments > 90 days		-	-	-	(53 616)	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		127 395	129 702	112 117	51 932	68 696	68 696	68 696	88 158	117 369	147 473
Application of cash and investments											
Unspent conditional transfers		25 823	7 792	2 717	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	14 097	19 781	20 845	(11 788)	(6 094)	(6 094)	(6 094)	(11 952)	(17 104)	(17 714)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		39 920	27 573	23 561	(11 788)	(6 094)	(6 094)	(6 094)	(11 952)	(17 104)	(17 714)
Surplus(shortfall)		87 475	102 129	88 556	63 720	74 790	74 790	74 790	100 110	134 473	165 186

From the above table it can be seen that the cash and investments available total R88.1 million in the 2016/17 financial year and increases to R117.3 million by 2017/18.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Table 30 MBRR SA10 – Funding compliance measurement

LIM473 Makhuduthamaga Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	127 395	129 702	112 117	105 548	68 696	(43 422)	(43 422)	99 785	134 516	171 584
Cash + investments at the yr end less applications - R'000	18(1)b	2	87 475	102 129	88 556	63 720	74 790	74 790	74 790	107 070	142 325	179 463
Cash year end/monthly employee/supplier payments	18(1)b	3	11.2	11.0	9.2	7.2	4.3	(2.7)	(2.7)	6.7	8.6	10.3
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	33 755	78 668	7 830	134 122	108 326	108 326	108 326	135 356	136 838	145 040
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	53.0%	(38.2%)	4.0%	(9.0%)	(6.0%)	(6.0%)	(1.0%)	(5.7%)	(1.6%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	22.7%	9.7%	25.3%	75.1%	63.7%	63.7%	63.7%	65.8%	65.8%	64.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	166.3%	82.2%	93.8%	57.7%	94.2%	94.2%	94.2%	51.7%	55.3%	56.6%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	101.0%	120.7%	117.1%	117.1%	117.1%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	69.8%	39.6%	12.7%	(7.7%)	0.0%	0.0%	7.6%	7.2%	6.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	9.4%	7.6%	10.4%	6.9%	12.9%	12.9%	6.8%	5.8%	5.5%	5.3%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	5.2%	5.2%	0.0%

Supporting indicators											
% incr <i>total service charges (incl prop rates)</i>	18(1)a		59.0%	(32.2%)	10.0%	(3.0%)	0.0%	0.0%	5.0%	0.3%	4.4%
% incr Property Tax	18(1)a		59.0%	(32.2%)	10.0%	(3.0%)	0.0%	0.0%	5.0%	0.3%	4.4%
% incr Service charges - electricity revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - water revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Service charges		27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Property rates		27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal		-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		26	75	106	95	115	115	115	121	121	125
Capital expenditure excluding capital grant funding		-	-	-	-	16 800	16 800	16 800	-	-	-
Cash receipts from ratepayers	18(1)a	9 404	6 123	13 594	43 515	37 515	37 515	37 515	40 360	40 475	43 347
Ratepayer & Other revenue	18(1)a	41 349	62 939	53 739	57 915	58 915	58 915	58 915	61 357	61 533	67 104
Change in consumer debtors (current and non-current)		10 300	9 103	8 764	3 918	1 242	1 242	1 242	(232)	2 491	2 559
Operating and Capital Grant Revenue	18(1)a	170 730	203 683	237 137	292 120	292 620	292 620	292 620	294 463	305 795	323 641
Capital expenditure - total	20(1)(vi)	50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	135 251	143 403
Capital expenditure - renewal	20(1)(vi)	-	-	6 700	-	-	-	-	7 000	7 000	-
Supporting benchmarks											
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY									228 253	242 196	256 411
DoRA capital grants total MFY									66 210	63 599	67 230
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants									294 463	305 795	323 641
Average annual collection rate (arrears inclusive)											
DoRA operating											
Equitable Share									225 123	240 496	254 456
Finance Management Grant									1 625	1 700	1 955
EPWP									1 505	-	-
									228 253	242 196	256 411
DoRA capital											
Municipal Infrastructure Grant									59 210	63 599	67 230
Integrated National Electrification Grant									7 000	-	-
									66 210	63 599	67 230

Trend											
Change in consumer debtors (current and non-current)		10 300	9 103	8 764	1 242	(232)	2 491	2 559	-	-	-
Total Operating Revenue		191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885
Total Operating Expenditure		182 386	195 781	291 166	228 615	254 911	254 911	254 911	232 689	242 749	259 075
Operating Performance Surplus/(Deficit)		9 372	37 129	(46 905)	74 172	47 876	47 876	47 876	69 146	73 239	77 810
Cash and Cash Equivalents (30 June 2012)									99 785		
Revenue											
% Increase in Total Operating Revenue			21.5%	4.9%	24.0%	0.0%	0.0%	0.0%	(0.3%)	4.7%	6.6%
% Increase in Property Rates Revenue			59.0%	(32.2%)	10.0%	(3.0%)	0.0%	0.0%	5.0%	0.3%	4.4%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			59.0%	(32.2%)	10.0%	(3.0%)	0.0%	0.0%	5.0%	0.3%	4.4%
Expenditure											
% Increase in Total Operating Expenditure			7.3%	48.7%	(21.5%)	11.5%	0.0%	0.0%	(8.7%)	4.3%	6.7%
% Increase in Employee Costs			24.1%	(0.3%)	51.2%	(16.6%)	0.0%	0.0%	34.8%	7.2%	6.9%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)				315974.2	477902.7				537288.6987		
Average Cost Per Councillor (Remuneration)				287361.3	331824.5				340858.082		
R&M % of PPE		9.4%	7.6%	10.4%	6.9%	12.9%	12.9%		5.8%	5.5%	5.3%
Asset Renewal and R&M as a % of PPE		9.0%	8.0%	13.0%	7.0%	13.0%	13.0%		7.0%	7.0%	5.0%
Debt Impairment % of Total Billable Revenue		166.3%	82.2%	93.8%	57.7%	94.2%	94.2%	94.2%	51.7%	55.3%	56.6%
Capital Revenue											
Internally Funded & Other (R'000)		-	-	-	-	16 800	16 800	16 800	-	-	-
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		50 698	84 330	127 500	134 040	134 340	134 340	134 340	135 184	135 251	143 403
Internally Generated funds % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		100.0%	100.0%	100.0%	100.0%	88.9%	88.9%	88.9%	100.0%	100.0%	100.0%
Capital Expenditure											
Total Capital Programme (R'000)		50 698	84 330	127 500	134 040	151 140	151 140	151 140	135 184	135 251	143 403
Asset Renewal		-	-	6 700	-	-	-	-	7 000	7 000	-
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	5.2%	5.2%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		22.7%	9.7%	25.3%	75.1%	63.7%	63.7%	63.7%	65.8%	65.8%	64.6%
Cash Coverage Ratio		0	0	0	0	0	(0)	(0)	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves											
Surplus/(Deficit)		87 475	102 129	88 556	63 720	74 790	74 790	74 790	107 070	142 325	179 463
Free Services											
Free Basic Services as a % of Equitable Share		2.2%	2.5%	2.2%	2.0%	1.8%	1.8%		1.9%	1.9%	1.9%
Free Services as a % of Operating Revenue (excl operational transfers)		1.3%	0.9%	1.0%	0.9%	0.9%	0.9%		0.8%	0.8%	0.8%
High Level Outcome of Funding Compliance											
Total Operating Revenue		191 758	232 910	244 261	302 787	302 787	302 787	302 787	301 835	315 988	336 885
Total Operating Expenditure		182 386	195 781	291 166	228 615	254 911	254 911	254 911	232 689	242 749	259 075
Surplus/(Deficit) Budgeted Operating Statement		9 372	37 129	(46 905)	74 172	47 876	47 876	47 876	69 146	73 239	77 810
Surplus/(Deficit) Considering Reserves and Cash Backing		87 475	102 129	88 556	63 720	74 790	74 790	74 790	107 070	142 325	179 463
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 31 MBRR SA19 - Expenditure on transfers and grant programmes

LIM473 Makhuduthamaga - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		145 556	161 867	182 401	232 170	232 170	232 170	228 253	242 196	256 411
Local Government Equitable Share		143 213	157 820	178 834	228 571	228 571	228 571	225 123	240 496	254 456
Finance Management		1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Municipal Systems Improvement		800	890	934	930	930	930	-	-	-
EPWP Incentive		43	1 607	1 033	1 069	1 069	1 069	1 505	-	-
Integrated National Electrification Programme		-	-	-	-	-	-			
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		145 556	161 867	182 401	232 170	232 170	232 170	228 253	242 196	256 411
Capital expenditure of Transfers and Grants										
National Government:		25 174	41 816	54 735	59 950	59 950	59 950	73 210	63 599	67 230
Municipal Infrastructure Grant (MIG)		24 383	41 539	54 735	59 950	59 950	59 950	66 210	63 599	67 230
INEG (DOE)		792	277	-	-	-	-	7 000	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Sekhukhune District Municipality										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		25 174	41 816	54 735	59 950	59 950	59 950	73 210	63 599	67 230
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		170 730	203 683	237 137	292 120	292 120	292 120	301 463	305 795	323 641

Table 32 MBRR SA 20 – Reconciliation of transfers, grant receipts and unspent funds

LIM473 Makhuduthamaga - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		608	3 816	7 792	2 717	2 717	2 717	–	–	–
Current year receipts		145 740	158 328	174 609	229 453	229 453	229 453	228 253	242 196	256 411
Conditions met - transferred to revenue		146 348	162 144	182 401	232 170	232 170	232 170	228 253	242 196	256 411
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		146 348	162 144	182 401	232 170	232 170	232 170	228 253	242 196	256 411
Total operating transfers and grants - CTBM	2	–	–	–	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		4 030	21 084	–	–	–	–	–	–	–
Current year receipts		45 436	25 315	57 452	59 950	59 950	59 950	73 210	63 599	67 230
Conditions met - transferred to revenue		28 383	41 539	54 735	59 950	59 950	59 950	73 210	63 599	67 230
Conditions still to be met - transferred to liabilities		21 084	4 860	2 717	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		28 383	41 539	54 735	59 950	59 950	59 950	73 210	63 599	67 230
Total capital transfers and grants - CTBM	2	21 084	4 860	2 717	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		174 730	203 683	237 137	292 120	292 120	292 120	301 463	305 795	323 641
TOTAL TRANSFERS AND GRANTS - CTBM		21 084	4 860	2 717	–	–	–	–	–	–

2.8 Allocations and grants made by the municipality.

Our municipality does not have any allocations any grants transferred to other municipalities or entities as indicated by the table below.

LIM473 Makhuduthamaga - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

2.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

The following table SA23 indicate the remuneration of the council and senior managers of the municipality.

LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17	Medium Term	Revenue &
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 403	9 301	12 425	11 464	11 464	11 464	11 490	12 318	13 168
Pension and UIF Contributions		1 415	2 159	1 220	2 468	2 468	2 468	2 873	3 079	3 292
Medical Aid Contributions										
Motor Vehicle Allowance		4 446	3 777	2 623	4 317	4 317	4 317	4 788	5 132	5 486
Cellphone Allowance		–	1 452	1 021	1 660	1 660	1 660	1 400	1 501	1 605
Housing Allowances		–	–	–						
Other benefits and allowances		127	–	240				242	259	277
Sub Total - Councillors		15 391	16 688	17 529	19 909	19 909	19 909	20 792	22 289	23 827
% increase	4		8.4%	5.0%	13.6%	–	–	4.4%	7.2%	6.9%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 585	2 195	2 354	3 148	2 235	2 235	4 166	4 466	4 774
Pension and UIF Contributions		135	197	120	586	401	401	146	156	167
Medical Aid Contributions		112	105	181	215	173	173	233	250	267
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	188	626	434	1 481	889	889	1 246	1 336	1 428
Cellphone Allowance	3	79	89	55	133	91	91	177	190	203
Housing Allowances	3	259	347	225	209	126	126	525	563	602
Other benefits and allowances	3	155	156	354	77	56	56	107	114	122
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		2 513	3 714	3 722	5 849	3 970	3 970	6 601	7 076	7 564
% increase	4		47.8%	0.2%	57.1%	(32.1%)	–	66.3%	7.2%	6.9%
Other Municipal Staff										
Basic Salaries and Wages		17 546	20 849	23 260	35 210	29 175	29 175	33 688	36 114	38 605
Pension and UIF Contributions		3 569	4 691	5 310	7 029	6 175	6 175	7 411	7 945	8 493
Medical Aid Contributions		1 618	2 045	2 397	3 064	2 538	2 538	6 885	7 380	7 890
Overtime		190	179	256	268	268	268	2 810	3 012	3 220
Performance Bonus		–	–	–	–	–	–			
Motor Vehicle Allowance	3	4 692	5 277	6 071	7 907	7 200	7 200	8 641	9 263	9 902
Cellphone Allowance	3	749	894	1 008	1 339	1 194	1 194	1 409	1 510	1 614
Housing Allowances	3	1 053	1 498	1 865	2 245	1 857	1 857	3 125	3 350	3 581
Other benefits and allowances	3	1 302	1 909	2 970	2 991	2 578	2 578	3 577	3 834	4 099
Payments in lieu of leave		921	1 847		2 768	2 768	2 768	–	–	–
Long service awards		1 096	834		1 250	1 250	1 250	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		32 736	40 024	43 137	64 072	55 003	55 003	67 545	72 408	77 404
% increase	4		22.3%	7.8%	48.5%	(14.2%)	–	22.8%	7.2%	6.9%
Total Parent Municipality		50 639	60 427	64 388	89 830	78 882	78 882	94 938	101 773	108 795
			19.3%	6.6%	39.5%	(12.2%)	–	20.4%	7.2%	6.9%

Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		50 639	60 427	64 388	89 830	78 882	78 882	94 938	101 773	108 795
% increase	4		19.3%	6.6%	39.5%	(12.2%)	-	20.4%	7.2%	6.9%
TOTAL MANAGERS AND STAFF	5,7	35 248	43 739	46 859	69 921	58 973	58 973	74 145	79 484	84 968

2.10 Monthly targets for revenue, expenditure and cash flow

The following tables shows how the municipality is planning to receive its budgeted revenue and spend funds appropriated per cost centre, standard classification and the cash inflow and out flow per month.

Table 365 MBRR SA25 - Budgeted monthly revenue and expenditure

LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2016/17												Medium Term	Revenue and	Expenditure
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 788	2 788	2 788	2 788	2 788	33 426	33 521	35 000
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue													-	-	-	-
Service charges - other													-	-	-	-
Rental of facilities and equipment	10	12	10	8	10	10	10	10	7	10	13	10	10	121	121	125
Interest earned - external investments	1 019	1 019	973	1 065	1 019	1 019	1 019	1 019	923	1 115	1 019	1 019	1 019	12 225	12 259	13 370
Interest earned - outstanding debtors	1 890	1 260	1 470	2 100	1 470	1 260	1 260	1 680	2 310	1 890	1 890	1 680	2 100	20 998	21 058	23 757
Dividends received													-	-	-	-
Fines	13	32	63	32	32	126	25	38	88	78	53	53	630	632	635	
Licences and permits													-	-	-	-
Agency services	464	515	464	567	309	430	464	412	310	392	361	467	5 154	5 169	6 526	
Transfers recognised - operational	95 426	602				75 493		452	56 281				-	228 253	242 196	256 411
Other revenue	322	-	10	145	82	-	123	92	55	-	7	194	1 029	1 032	1 061	
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		101 927	6 224	5 773	6 700	81 198	5 628	6 105	7 021	62 536	6 178	5 916	6 629	301 835	315 988	336 885
Expenditure By Type																
Employee related costs		6 085	5 791	7 741	6 052	7 052	6 679	5 791	5 791	5 791	5 791	5 791	5 791	74 146	79 484	84 969
Remuneration of councillors	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	20 792	22 289	23 827
Debt impairment												17 280	-	17 280	18 524	19 802
Depreciation & asset impairment	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	1 136	13 638	14 620	15 628
Finance charges													-	-	-	-
Bulk purchases													-	-	-	-
Other materials													-	-	-	-
Contracted services	1 119	3 294	2 262	3 450	2 834	6 613	6 229	4 764	2 090	1 831	1 937	1 175	37 602	40 650	43 284	
Transfers and grants													-	-	-	-
Other expenditure	1 974	10 645	5 656	7 355	6 178	7 426	7 514	4 759	7 594	5 030	3 164	1 936	69 232	67 181	71 564	
Loss on disposal of PPE													-	-	-	-
Total Expenditure		12 047	22 600	18 528	19 727	18 934	23 587	22 403	18 184	18 345	15 522	31 041	11 771	232 689	242 749	259 075
Surplus/(Deficit)		89 880	(16 376)	(12 755)	(13 027)	62 264	(17 959)	(16 299)	(11 163)	44 192	(9 343)	(25 125)	(5 143)	69 146	73 239	77 810
Transfers recognised - capital	22 511					19 863				23 836			-	66 210	63 599	67 230
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		112 391	(16 376)	(12 755)	(13 027)	82 127	(17 959)	(16 299)	(11 163)	68 027	(9 343)	(25 125)	(5 143)	135 356	136 838	145 040
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	112 391	(16 376)	(12 755)	(13 027)	82 127	(17 959)	(16 299)	(11 163)	68 027	(9 343)	(25 125)	(5 143)	135 356	136 838	145 040

Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Council													–	–	–	–
Vote 2 - Office of the Municipal Manager													–	–	–	–
Vote 3 - Economic Development and Planning													–	–	–	–
Vote 4 - Infrastructure Development													–	–	–	–
Vote 5 - Community Services													–	–	–	–
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Budget and Treasury		124 438	6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916	6 629	368 045	379 587	404 115
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		124 438	6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916	6 629	368 045	379 587	404 115
Expenditure by Vote to be appropriated																
Vote 1 - Council													47 763	47 763	47 461	52 676
Vote 2 - Office of the Municipal Manager		485	585	635	735	635	970	535	885	435	535	485	385	7 308	7 376	7 953
Vote 3 - Economic Development and Planning		757	1 497	1 407	2 707	1 617	1 069	1 687	1 157	1 767	1 488	1 127	757	17 041	15 319	14 167
Vote 4 - Infrastructure Development		920	3 020	2 020	3 020	2 330	5 940	5 590	4 390	1 350	1 520	1 520	920	32 543	34 338	36 155
Vote 5 - Community Services		1 809	2 709	4 022	2 869	2 377	2 247	2 309	2 024	1 944	2 309	1 809	1 959	28 388	30 873	33 207
Vote 6 - Corporate Services		802	2 377	2 474	1 780	2 387	2 032	3 167	1 773	1 795	1 816	1 127	1 066	22 596	25 807	28 245
Vote 7 - Budget and Treasury		4 132	7 045	7 418	5 446	936	4 853	5 552	4 598	6 926	4 292	4 567	21 285	77 050	81 576	86 672
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		8 905	17 234	17 978	16 558	10 282	17 111	18 841	14 828	14 218	11 960	10 636	74 136	232 689	242 749	259 075
Surplus/(Deficit) before assoc.		115 533	(11 010)	(12 204)	(9 859)	90 778	(11 483)	(12 736)	(7 807)	72 154	(5 782)	(4 720)	(67 507)	135 356	136 838	145 040
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	115 533	(11 010)	(12 204)	(9 859)	90 778	(11 483)	(12 736)	(7 807)	72 154	(5 782)	(4 720)	(67 507)	135 356	136 838	145 040

Table 38 MBRR SA27 - Budgeted monthly revenue and expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard																
Governance and administration		124 438	6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916	6 629	368 045	379 587	404 115
Executive and council														—	—	—
Budget and treasury office		124 438	6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916	6 629	368 045	379 587	404 115
Corporate services														—	—	—
Community and public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and social services														—	—	—
Economic and environmental services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Planning and development														—	—	—
Road transport														—	—	—
Environmental protection														—	—	—
Trading services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Electricity														—	—	—
Other														—	—	—
Total Revenue - Standard		124 438	6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916	6 629	368 045	379 587	404 115
			6 224	5 773	6 700	101 061	5 628	6 105	7 021	86 372	6 178	5 916				
Expenditure - Standard																
Governance and administration		5 735	11 799	12 367	9 006	5 709	8 917	11 886	8 144	10 516	7 923	6 821	55 892	154 716	162 219	175 547
Executive and council		802	2 377	2 474	1 780	2 387	2 032	3 167	1 773	1 795	1 816	1 127	33 541	55 071	54 837	60 630
Budget and treasury office		4 132	7 045	7 418	5 446	936	4 853	5 552	4 598	6 926	4 292	4 567	21 285	77 050	81 576	86 672
Corporate services		802	2 377	2 474	1 780	2 387	2 032	3 167	1 773	1 795	1 816	1 127	1 066	22 596	25 807	28 245
Community and public safety		1 683	2 183	3 596	1 943	2 101	1 921	1 983	1 698	1 818	1 983	1 683	1 683	24 270	26 395	27 967
Community and social services		469	469	969	489	887	507	769	484	504	469	469	469	6 959	6 053	6 158
Sport and recreation		—	—	200	240	—	200	—	—	100	300	—	(0)	1 040	1 387	1 136
Public safety		1 213	1 713	2 426	1 213	1 213	1 213	1 213	1 213	1 213	1 213	1 213	1 213	16 271	18 956	20 673
Health														—	—	—
Economic and environmental services		1 127	3 967	2 477	5 177	3 097	5 858	6 157	4 997	2 137	2 458	1 897	3 124	42 468	42 208	42 032
Planning and development		757	1 497	1 407	2 707	1 617	1 069	1 687	1 157	1 767	1 488	1 127	757	17 041	15 319	14 167
Road transport		369	2 469	1 069	2 469	1 479	4 789	4 469	3 839	369	969	769	2 366	25 427	26 890	27 865
Environmental protection														—	—	—
Trading services		511	911	1 211	1 311	961	1 311	1 281	711	941	711	711	661	11 235	11 926	13 530
Electricity		385	385	785	385	685	985	955	385	815	385	585	385	7 116	7 449	8 290
Water														—	—	—
Waste water management														—	—	—
Waste management		127	527	427	927	277	327	327	327	127	327	127	277	4 118	4 478	5 240
Other														—	—	—
Total Expenditure - Standard		9 056	18 859	19 650	17 437	11 868	18 007	21 306	15 550	15 412	13 074	11 112	61 359	232 689	242 749	259 075
Surplus/(Deficit) before assoc.		115 383	(12 636)	(13 877)	(10 737)	89 193	(12 378)	(15 202)	(8 529)	70 960	(6 896)	(5 196)	(54 730)	135 356	136 838	145 040
Share of surplus/ (deficit) of associate														—	—	—
Surplus/(Deficit)	1	115 383	(12 636)	(13 877)	(10 737)	89 193	(12 378)	(15 202)	(8 529)	70 960	(6 896)	(5 196)	(54 730)	135 356	136 838	145 040

Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated	1															
Vote 1 - Council													–	–	–	–
Vote 2 - Office of the Municipal Manager													–	–	–	–
Vote 3 - Economic Development and Planning													–	–	–	–
Vote 4 - Infrastructure Development		7 000	8 900	10 000	1 730	12 500	13 700	11 000	6 900	8 700	9 854	5 400	11 000	106 684	123 571	133 403
Vote 5 - Community Services													–	–	–	–
Vote 6 - Corporate Services													–	–	–	–
Vote 7 - Budget and Treasury													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital multi-year expenditure sub-total	2	7 000	8 900	10 000	1 730	12 500	13 700	11 000	6 900	8 700	9 854	5 400	11 000	106 684	123 571	133 403
Single-year expenditure to be appropriated																
Vote 1 - Council					2 300								–	2 300	–	–
Vote 2 - Office of the Municipal Manager													–	–	–	–
Vote 3 - Economic Development and Planning					2 500	3 000							–	5 500	3 000	2 000
Vote 4 - Infrastructure Development			3 000		4 000								–	7 000	–	–
Vote 5 - Community Services				2 500									–	2 500	1 500	2 000
Vote 6 - Corporate Services				2 500									–	2 500	2 680	2 500
Vote 7 - Budget and Treasury			1 000	3 400	1 000	2 500			800				–	8 700	4 500	3 500
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Capital single-year expenditure sub-total	2	–	4 000	8 400	9 800	5 500	–	–	800	–	–	–	–	28 500	11 680	10 000
Total Capital Expenditure	2	7 000	12 900	18 400	11 530	18 000	13 700	11 000	7 700	8 700	9 854	5 400	11 000	135 184	135 251	143 403

Table 40 MBRR SA29 - Budgeted monthly capital expenditure (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard	1															
Governance and administration		–	1 000	5 900	3 300	2 500	–	–	800	–	–	–	–	13 500	7 180	6 000
Executive and council					2 300								–	2 300	–	–
Budget and treasury office			1 000	3 400	1 000	2 500			800				–	8 700	4 500	3 500
Corporate services				2 500									–	2 500	2 680	2 500
Community and public safety		–	–	1 000	–	–	–	–	–	–	–	–	–	1 000	1 500	2 000
Community and social services													–	–	–	–
Sport and recreation													–	–	–	–
Public safety				1 000									–	1 000	1 500	2 000
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		7 000	8 900	10 000	4 230	15 500	13 700	11 000	6 900	8 700	9 854	5 400	11 000	112 184	126 571	135 403
Planning and development					2 500	3 000							–	5 500	3 000	2 000
Road transport		7 000	8 900	10 000	1 730	12 500	13 700	11 000	6 900	8 700	9 854	5 400	11 000	106 684	123 571	133 403
Environmental protection													–	–	–	–
Trading services		–	3 000	1 500	4 000	–	–	–	–	–	–	–	–	8 500	–	–
Electricity			3 000		4 000								–	7 000	–	–
Water													–	–	–	–
Waste water management													–	–	–	–
Waste management				1 500									–	1 500	–	–
Other													–	–	–	–
Total Capital Expenditure - Standard	2	7 000	12 900	18 400	11 530	18 000	13 700	11 000	7 700	8 700	9 854	5 400	11 000	135 184	135 251	143 403
Funded by:																
National Government													59 210	59 210	63 599	67 230
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													75 974	75 974	71 652	76 173
Transfers recognised - capital		–	–	–	–	–	–	–	–	–	–	–	135 184	135 184	135 251	143 403
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds													–	–	–	–
Total Capital Funding		–	–	–	–	–	–	–	–	–	–	–	135 184	135 184	135 251	143 403

Table 41 MBRR SA30 - Budgeted monthly cash flow (Standard classification)

LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS		Budget Year 2016/17											Medium Term	Revenue and	Expenditure
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	2 364	2 364	2 364	2 364	2 364	2 364	2 364	2 364	2 364	2 364	2 364	2 364	28 370	33 521	35 000
Property rates - penalties & collection charges													—		
Rental of facilities and equipment	10	12	10	8	10	10	10	7	10	13	10	10	121	121	125
Interest earned - external investments	1 019	1 019	973	1 065	1 019	1 019	1 019	923	1 115	1 019	1 019	1 019	12 225	12 259	13 370
Interest earned - outstanding debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends received													—		
Fines	13	32	63	32	32	126	25	38	88	78	53	53	630	632	635
Licences and permits													—		
Agency services	464	515	464	567	309	430	464	412	310	392	361	467	5 154	5 169	6 526
Transfer receipts - operational	95 426	602	—	—	75 493	—	—	452	56 281	—	—	—	228 253	242 196	256 411
Other revenue	1 200	1 150	1 080	1 560	980	1 950	1 450	1 330	1 050	870	978	764	14 362	16 456	17 710
Cash Receipts by Source	100 495	5 694	4 954	5 595	80 206	5 898	5 332	5 526	61 218	4 735	4 784	4 676	289 115	310 355	329 777
Other Cash Flows by Source															
Transfer receipts - capital	22 511				19 863				23 836			—	66 210	63 599	67 230
Increase (decrease) in consumer deposits												—			
Decrease (Increase) in non-current debtors												—			
Decrease (increase) other non-current receivables												—			
Decrease (increase) in non-current investments												—			
Total Cash Receipts by Source	123 007	5 694	4 954	5 595	100 069	5 898	5 332	5 526	85 054	4 735	4 784	4 676	355 325	373 954	397 007
Cash Payments by Type															
Employee related costs	6 085	5 791	7 741	6 052	7 052	6 679	5 791	5 791	5 791	5 791	5 791	5 791	74 146	79 484	84 969
Remuneration of councillors	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	1 733	20 792	22 289	23 827
Finance charges												—			
Contracted services	1 119	3 294	2 262	3 450	2 834	6 613	6 229	4 764	2 090	1 831	1 937	1 175	37 602	40 650	43 284
Transfers and grants - other municipalities												—			
Other expenditure	1 974	10 645	5 656	7 355	6 178	7 426	7 514	4 759	7 594	5 030	3 164	1 936	69 232	67 181	71 564
Cash Payments by Type	10 911	21 464	17 392	18 590	17 797	22 451	21 267	17 047	17 208	14 385	12 625	10 635	201 771	209 605	223 644
Other Cash Flows/Payments by Type															
Capital assets	7 000	12 900	18 400	11 530	18 000	13 700	11 000	7 700	8 700	9 854	5 400	9 907	134 091	135 138	143 259
Repayment of borrowing												—			
Other Cash Flow s/Payments												—			
Total Cash Payments by Type	17 911	34 364	35 792	30 120	35 797	36 151	32 267	24 747	25 908	24 239	18 025	20 542	335 862	344 742	366 903
NET INCREASE/(DECREASE) IN CASH HELD	105 096	(28 670)	(30 838)	(24 525)	64 272	(30 252)	(26 935)	(19 222)	59 146	(19 504)	(13 241)	(15 866)	19 462	29 211	30 104
Cash/cash equivalents at the month/year begin:	68 696	173 792	145 122	114 284	89 759	154 031	123 779	96 844	77 622	136 768	117 264	104 024	68 696	88 158	117 369
Cash/cash equivalents at the month/year end:	173 792	145 122	114 284	89 759	154 031	123 779	96 844	77 622	136 768	117 264	104 024	88 158	88 158	117 369	147 473

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 42 MBRR SA 34a - Capital expenditure on new assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		48 481	74 599	109 595	123 490	139 290	139 290	112 184	119 571	135 403
Infrastructure - Road transport		47 453	73 658	109 595	116 690	133 490	133 490	99 684	116 571	133 403
Roads, Pavements & Bridges		47 453	73 658	109 595	116 690	133 490	133 490	99 684	116 571	133 403
Storm water										
Infrastructure - Electricity		1 028	941	–	2 100	2 100	2 100	7 000	–	–
Generation										
Transmission & Reticulation		1 028	941	–	2 100	2 100	2 100	7 000	–	–
Street Lighting										
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Reticulation										
Sewerage purification										
Infrastructure - Other		–	–	–	4 700	3 700	3 700	5 500	3 000	2 000
Waste Management										
Transportation	2									
Gas										
Other	3	–	–	–	4 700	3 700	3 700	5 500	3 000	2 000
Community		–	–	–	–	–	–	–	–	–
Other										
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other	9									

Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 210	8 610	11 204	10 550	11 850	11 850	16 000	8 680	8 000
General vehicles		608	4 208	10 167	7 300	7 300	7 300	2 300	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		1 348	2 933	1 037	2 250	4 050	4 050	3 500	2 680	2 500
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		254	1 469	-	1 000	500	500	10 200	6 000	5 500
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		7	1 121	-	-	-	-	-	-	-
Computers - software & programming		7	1 121	-						
Other (list sub-class)										
Total Capital Expenditure on new assets	1	50 698	84 330	120 800	134 040	151 140	151 140	128 184	128 251	143 403

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	6 700	-	-	-	7 000	7 000	-
Infrastructure - Road transport		-	-	6 700	-	-	-	7 000	7 000	-
Roads, Pavements & Bridges				6 700	-	-	-	7 000	7 000	
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										

Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of	1	-	-	6 700	-	-	-	7 000	7 000	-

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

LIM473 Makhuduthamaga - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		11 756	14 582	20 734	24 650	41 650	41 650	18 000	20 500	22 000
Infrastructure - Road transport		11 756	14 582	20 734	22 550	37 550	37 550	15 500	18 000	19 000
Roads, Pavements & Bridges		11 756	14 582	20 734	22 550	37 550	37 550	15 500	18 000	19 000
Storm water										
Infrastructure - Electricity		-	-	-	2 100	4 100	4 100	2 500	2 500	3 000
Generation										
Transmission & Reticulation					2 100	4 100	4 100	2 500	2 500	3 000
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	-	-	-	-	-
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 232	865	1 892	8 148	3 848	3 848	5 853	5 051	4 703
General vehicles		1 544	807	1 334	5 038	2 538	2 538	2 053	2 201	2 353
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		366	-	558	2 520	720	720	800	850	850
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		321	58	-	590	590	590	3 000	2 000	1 500
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Total Repairs and Maintenance Expenditure	1	13 988	15 447	22 626	32 798	45 498	45 498	23 853	25 551	26 703

Table 45 MBRR SA34d – Depreciation by Asset class

LIM473 Makhuduthamaga - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Depreciation by Asset Class/Sub-class										
Infrastructure		7 417	6 849	8 539	10 999	10 999	10 999	9 028	9 678	10 346
Infrastructure - Road transport		7 122	6 539	8 229	10 638	10 638	10 638	8 731	9 360	10 006
Roads, Pavements & Bridges		7 122	6 539	8 229	10 638	10 638	10 638	8 731	9 360	10 006
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		295	310	310	361	361	361	296	318	340
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		295	310	310	361	361	361	296	318	340
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2 571	3 607	4 831	5 117	5 117	5 117	4 200	4 503	4 813
General vehicles		796	1 300	2 093	1 972	1 972	1 972	1 618	1 735	1 855
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		512	871	1 147	1 321	1 321	1 321	1 085	1 163	1 243
Furniture and other office equipment		426	498	526	755	755	755	620	664	710
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		684	684	692	684	684	684	562	602	644
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		152	253	373	384	384	384	316	338	362
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		447	499	344	499	499	499	410	439	470
Computers - software & programming		447	499	344	499	499	499	410	439	470
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Depreciation	1	10 434	10 956	13 715	16 616	16 616	16 616	13 638	14 620	15 628

Table 46 MBRR SA35 - Future financial implications of the capital budget

LIM473 Makhuduthamaga - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description R thousand	Ref	2016/17 Medium Term Revenue &			Forecasts			
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Present value
<u>Capital expenditure</u>	1							
Vote 1 - Council		2 300	–	–				
Vote 2 - Office of the Municipal Manager		–	–	–				
Vote 3 - Economic Development and Planning		5 500	3 000	2 000				
Vote 4 - Infrastructure Development		113 684	123 571	133 403				
Vote 5 - Community Services		2 500	1 500	2 000				
Vote 6 - Corporate Services		2 500	2 680	2 500				
Vote 7 - Budget and Treasury		8 700	4 500	3 500				
Vote 8 - [NAME OF VOTE 8]		–	–	–				
Vote 9 - [NAME OF VOTE 9]		–	–	–				
Vote 10 - [NAME OF VOTE 10]		–	–	–				
Vote 11 - [NAME OF VOTE 11]		–	–	–				
Vote 12 - [NAME OF VOTE 12]		–	–	–				
Vote 13 - [NAME OF VOTE 13]		–	–	–				
Vote 14 - [NAME OF VOTE 14]		–	–	–				
Vote 15 - [NAME OF VOTE 15]		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		135 184	135 251	143 403	–	–	–	–
<u>Future operational costs by vote</u>	2							
Vote 1 - Council								
Vote 2 - Office of the Municipal Manager								
Vote 3 - Economic Development and Planning								
Vote 4 - Infrastructure Development								
Vote 5 - Community Services								
Vote 6 - Corporate Services								
Vote 7 - Budget and Treasury								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		–	–	–	–	–	–	–
<u>Future revenue by source</u>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		135 184	135 251	143 403	–	–	–	–

LIM473 Makhuduthamaga - Supporting Table SA36 Detailed capital budget											
Municipal Vote/Capital project	Ref		Approved		Prior year outcomes		2016/17 Medium Term Revenue &			Project	
R thousand	4	Program/Project description	6	Total Project Estimate	Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
Parent municipality:											
List all capital projects grouped by Municipal Vote											
Vote 7 - Budget and Treasury		Acquisition of new assets: 1 motor grader, Mot	Yes	46 800	10 167	7 300	8 700	4 500	3 500		
Vote 6 - Corporate Services		IT Infrastructure	Yes	8 100	1 037	4 050	2 500	2 680	2 500		
Vote 3 - Economic Development and Planning		PMS System	Yes	600	–	–					
Vote 3 - Economic Development and Planning		Market Stalls	Yes	–	–						
Vote 3 - Economic Development and Planning		Land Scaping	Yes	10 500	–	1 000					
Vote 3 - Economic Development and Planning		GIS (Geographic Information System)	Yes	2 800	–	700					
Vote 3 - Economic Development and Planning		Development Of Municipal Parks & Cemetery	Yes	4 500	–	2 000	5 500	3 000	2 000		
Vote 4 - Infrastructure Development		Construction of Access Roads, Bridges and St	Yes	–	116 295	133 490	106 684	123 571	133 403		
Vote 4 - Infrastructure Development		Installation of High mast at Phokwane Taxi Ran	Yes	3 600	–	2 100	7 000	–	–		
Vote 5 - Community Services		Waste Management Assets	Yes	–	–	–	1 500	–	–		
Vote 5 - Community Services		K73 trailer for traffic	Yes	–	–	–					
Vote 5 - Community Services		Procurement of law enforcement equipment	Yes	1 000	–	500	1 000	1 500	2 000		
Vote 1 - Coucil		Procurement of two SUV's for the Mayor and Speaker		–	–	–	2 300	–	–		
Parent Capital expenditure	1						135 184	135 251	143 403		

Table 47 MBRR SA37 – Projects delayed from previous years

LIM473 Makhuduthamaga - Supporting Table SA37 Projects delayed from previous financial year/s												
Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub- Class 3	GPS co- ordinates 4	Previous target year to complete	Current Year 2015/16		2016/17 Medium Term Revenue &		
	1,2							Original Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand							Year					
Parent municipality:												
List all capital projects grouped by Municipal Vote				Examples	Examples							
N/A		N/A										
N/A		N/A										
N/A		N/A										
N/A		N/A										
N/A		N/A										
N/A		N/A										
N/A		N/A										
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

The table above indicate that the municipality does not have any of its projects to be implemented delayed from the previous financial years.

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Budget and Treasury Department, Risk management and Audit section. The two year training contracts for two of these interns ends in July 2016 and the contracts for the other four interns expire in July 2017. Since the introduction of the Internship programme the municipality has successfully trained 14 interns and employed 9 of the total trained on permanent positions. Three of this total was permanently employed by the district municipality and one was employed by one of the local municipalities.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in June 2016 directly aligned and informed by the 2016/17 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

LIM473 Makhuduthamaga - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>											
Net Property Rates		27 660	43 987	29 841	32 828	31 834	31 834	31 834	33 426	33 521	35 000
Service charges - electricity revenue	6										
Total Service charges - electricity revenue											
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	6										
Total Service charges - water revenue											
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6										
Total refuse removal revenue											
Total landfill revenue											
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>											
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Other Revenue by source											
Tender Documents		927	2 227	613	980	780	780	780	819	821	850
Other Revenue		-	-	1 057	330	200	200	200	210	211	211
Total 'Other' Revenue	1	927	2 227	1 669	1 310	980	980	980	1 029	1 032	1 061
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	20 300	24 755	25 614	37 377	30 428	30 428	30 428	37 854	40 580	43 380
Pension and UIF Contributions		3 544	4 690	4 840	7 479	6 441	6 441	6 441	7 557	8 101	8 660
Medical Aid Contributions		1 730	2 150	2 578	5 925	5 357	5 357	5 357	7 118	7 631	8 157
Overtime		190	179	256	-	-	-	-	2 810	3 012	3 220
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		4 881	5 903	6 504	8 586	7 286	7 286	7 286	9 887	10 599	11 330
Cellphone Allowance		828	983	1 063	1 272	1 084	1 084	1 084	1 586	1 700	1 818
Housing Allowances		1 312	1 845	2 090	2 914	2 442	2 442	2 442	3 650	3 913	4 183
Other benefits and allowances		2 464	3 234	659	2 398	1 964	1 964	1 964	3 684	3 949	4 221
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	4										
sub-total	5	35 248	43 739	43 604	65 951	55 003	55 003	55 003	74 146	79 484	84 969
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	35 248	43 739	43 604	65 951	55 003	55 003	55 003	74 146	79 484	84 969
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		10 434	10 956	13 715	16 616	16 616	16 616	16 616	13 638	14 620	15 628
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	10 434	10 956	13 715	16 616	16 616	16 616	16 616	13 638	14 620	15 628

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Bulk purchases											
Electricity Bulk Purchases											
Water Bulk Purchases											
Total bulk purchases	1	-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	-	-	-	-	-	-	-	-
Contracted services											
Repairs and Maintenance		13 988	15 447	22 626	32 798	45 498	45 498	45 498	23 853	25 551	26 703
Security Services and Cleaning Services		11 744	13 037	12 761	12 332	12 332	12 332	12 332	12 893	14 182	15 601
Other Contracted Services		-	-	-	690	690	690	690	856	917	980
sub-total	1	25 732	28 484	35 387	45 820	58 520	58 520	58 520	37 602	40 650	43 284
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		25 732	28 484	35 387	45 820	58 520	58 520	58 520	37 602	40 650	43 284
Other Expenditure By Type											
Collection costs											
Contributions to 'other' provisions											
Consultant fees											
Audit fees		1 855	2 367	2 213	2 300	2 400	2 400	2 400	2 670	2 700	2 900
General expenses	3	32 836	39 200	50 920	59 083	72 463	72 463	72 463	66 562	64 481	68 664
Grants and Subsidies		-	-	2 166	-	-	-	-	-	-	-
Total 'Other' Expenditure	1	34 692	41 567	55 299	61 383	74 863	74 863	74 863	69 232	67 181	71 564
Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services		13 988	15 447	22 626	32 798	45 498	45 498		23 853	25 551	26 703
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	13 988	15 447	22 626	32 798	45 498	45 498	-	23 853	25 551	26 703

The total amount of R 69.2 million for general expenses in 2016/17 and the outer years R 67.1 and R71.5 million respectively are detailed in the following tables:

Annual Draft Budget 2016/17 (General Expenses)					
Account No.	Project	Adjusted Budget 2015/16	Draft Budget 2016/17	Draft Budget 2017/18	Draft Budget 2018/19
MUNICIPAL MANAGER'S OFFICE					
LIM473-4200-260430	Risk Management Programmes &	550 000.00	800 000.00	357 600.00	400 000.00
LIM473-4200-260440	Internal Audit programmes	500 000.00	500 000.00	550 000.00	605 000.00
LIM473-4200-260450	Audit Committee Support	900 000.00	1 000 000.00	1 100 000.00	1 210 000.00
		1 950 000.00	2 300 000.00	2 007 600.00	2 215 000.00
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
OFFICE OF THE SPEAKER					
LIM473-4520-215015	Sitting Allowance	300 000.00	229 510.80	246 035.58	263 012.03
LIM473-4520-260252	Ward Committee Incentives	3 720 000.00	3 720 000.00	3 720 000.00	3 720 000.00
LIM473-4520-260254	Public Participations	1 567 422.22	1 000 000.00	1 200 000.00	1 500 000.00
LIM473-4520-260380	Whippery Support	100 000.00	-	-	-
LIM473-4520-260411	Council Logistics	942 000.00	600 000.00	400 000.00	500 000.00
LIM473-4520-266079	Capacity Building Of Councilor	1 400 000.00	500 000.00	600 000.00	650 000.00
LIM473-4520-266080	Ward Committee Capacity Buildi	-	600 000.00	800 000.00	1 000 000.00
		8 029 422.22	6 649 510.80	6 966 035.58	7 633 012.03
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
OFFICE OF THE MAYOR					
LIM473-4530-260523	Publications	9 800 000.00	8 294 358.00	5 891 551.78	6 298 068.85
LIM473-4530-260299	Multi-media bulk purchases	500 000.00	215 200.00	230 694.40	246 612.31
LIM473-4530-265030	Special Programmes	2 285 000.00	2 000 000.00	1 500 000.00	3 500 000.00
LIM473-4530-265031	Develop municipal Children's	-	300 000.00	300 000.00	300 000.00
LIM473-4530-265060	Outreach Programmes Mayor	2 496 000.00	1 500 000.00	1 500 000.00	1 500 000.00
LIM473-4530-265066	Multi-media channels	65 000.00	173 390.17	185 874.26	198 699.59
LIM473-4530-266018	Corp Branding & Marketing	-	350 000.00	375 200.00	401 088.80
	Forge Partnership with all	-	281 000.00	496 000.00	512 000.00
		15 146 000.00	13 113 948.17	10 479 320.44	12 956 469.55
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
COMMUNITY SERVICES					
LIM473-5066-275001	Library awareness campaign	300 000.00	200 000.00	250 000.00	300 000.00
LIM473-5066-260240	Protective clothing	100 000.00	525 939.10	563 806.72	602 709.38
LIM473-5066-265092	Stipent	40 000.00	30 988.80	33 219.99	35 512.17
		440 000.00	756 927.90	847 026.71	938 221.55
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
BUDGET AND TREASURY					
LIM473-5200-055550	Grants-Msig Expenses	967 000.00	-	-	-
LIM473-5200-265028	Revenue Enhancement Strategy	150 000.00	-	-	-
LIM473-5200-265029	Administration Expenses	-	200 000.00	214 400.00	229 193.60
LIM473-5200-260030	Audit Fees	2 400 000.00	2 670 000.00	2 700 000.00	2 900 000.00
LIM473-5200-260040	Bank Charges	250 000.00	154 513.60	165 638.58	177 067.64
LIM473-5200-260100	Electricity	1 269 500.00	1 497 654.27	1 605 485.38	1 716 263.87
LIM473-5200-260135	Grants Fmg	1 650 000.00	1 625 000.00	1 700 000.00	1 955 000.00
LIM473-5200-260160	Insurance	700 000.00	351 533.33	376 843.73	402 845.95
LIM473-5200-260230	Printing And Stationery	955 810.09	1 027 580.00	1 101 565.76	1 177 573.80
LIM473-5200-265027	Rental:Office Equipment	562 420.00	415 651.87	445 578.81	476 323.74
LIM473-5200-265029	Development Of Valuation Roll	750 000.00	743 289.47	796 806.31	851 785.95
LIM473-5200-265032	Grap/Gamap:Financial Statement	140 000.00	185 326.84	198 670.37	212 378.63
LIM473-5200-265120	Financial Services Capacity	300 000.00	368 961.98	395 527.24	422 818.62
LIM473-5200-265140	Fleet Management And System	110 000.00	91 592.89	98 187.57	104 962.52
LIM473-5200-265150	Mpra Expense	-	2 621 500.00	1 631 900.00	621 500.00
LIM473-5200-265160	Plant : Fuel And Oil	1 700 000.00	1 460 002.54	1 565 122.72	1 673 116.19
LIM473-5200-266070	Vehicle Tracking	75 847.84	81 612.28	87 488.36	93 525.06
	Implementation of Mscoa	-	450 000.00	482 400.00	515 685.60
		11 980 577.93	13 944 219.06	13 565 614.84	13 530 041.16

Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
CORPORATE SERVICES						
LIM473-5520-260010	Administration Expenses	De	850 000.00	1 500 000.00	2 705 000.00	2 440 000.00
LIM473-5520-260020	Advertising		400 000.00	737 232.90	790 313.67	844 845.31
LIM473-5520-260045	Bursary Fund.	Ma	2 000 000.00	2 200 000.00	2 420 000.00	2 720 000.00
LIM473-5520-260045	Electricity		-	-	-	-
LIM473-5520-260046	Training committee		-	-	-	-
LIM473-5520-260110	Telecommunication Costs		750 000.04	1 188 830.44	1 274 426.23	1 362 361.64
LIM473-5520-260170	Legal Costs and Development of	Liti	500 000.00	1 400 000.00	2 000 000.00	3 500 000.00
LIM473-5520-260260	Refreshments		70 000.00	54 879.23	58 830.53	62 889.84
LIM473-5520-266016	Development Of Ohs Standards		200 000.00	750 000.00	600 000.00	400 000.00
LIM473-5520-266017	Review of HR Policies		400 000.00	220 000.00	120 000.00	130 000.00
LIM473-5520-260360	Training-Staff		1 000 000.00	1 000 000.00	1 250 000.00	1 300 000.00
LIM473-5520-260370	Travel & Accomodation		2 300 000.00	2 405 112.86	2 578 280.99	2 756 182.37
LIM473-5520-260911	Customer Care		450 000.00	450 000.00	450 000.00	450 000.00
	Review of Service Standards &		-	100 000.00	200 000.00	200 000.00
	Bathopele Service Delivery		-	210 000.00	240 000.00	250 000.00
			8 920 000.04	12 216 055.43	14 686 851.42	16 416 279.16
Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
ECONOMIC DEVELOPMENT AND PLANNING						
LIM473-6200-265036	Lums Roll-Out (Review on LUMS		200 000.00	300 000.00	250 000.00	300 000.00
LIM473-6200-265048	Spatial Planning (Demarcation of		3 500 000.00	2 500 000.00	2 500 000.00	-
LIM473-6200-265052	Process of Acquiring Land		200 000.00	200 000.00	250 000.00	300 000.00
LIM473-6200-265073	Formalisation of Jane Furse		500 000.00	600 000.00	1 500 000.00	2 000 000.00
LIM473-6200-265072	Building Regulations Awareness &		200 000.00	400 000.00	150 000.00	200 000.00
LIM473-6200-26535	Land use management (Municipal		-	-	-	-
	Community Cemetry Strategy		-	-	-	-
	Identification of site for municipal		-	200 000.00	250 000.00	300 000.00
			4 600 000.00	4 200 000.00	4 900 000.00	3 100 000.00
Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
LOCAL ECONOMIC SERVICES						
LIM473-6250-265051	Smme Support		2 000 000.00	2 000 000.00	1 500 000.00	1 500 000.00
LIM473-6250-265057	LED Summit & Forums &		250 000.00	1 000 000.00	250 000.00	300 000.00
LIM473-6250-265056	Revival of municipal cultural		-	-	-	-
LIM473-6250-265057	Ward 21 Mamone Cultural Village		-	-	-	-
LIM473-6250-060052	EPWP Expenses		4 569 000.00	1 505 000.00	-	-
	EPWP Protective Clothing		-	-	-	-
	Tourism Forum and		250 000.00	250 000.00	-	-
			7 069 000.00	4 755 000.00	1 750 000.00	1 800 000.00
Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: BUILDING AND ELECTRICITY						
LIM473-7200-245015	Free Basic Electricity		4 000 000.00	4 167 667.57	4 467 739.64	4 776 013.67
			4 000 000.00	4 167 667.57	4 467 739.64	4 776 013.67
Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: TECHNICAL SERVICES						
			-	-	-	-
Account No.	Project		Adjusted	Draft Budget	Draft Budget	Draft Budget
INFRASTRUCTURE DEVELOPMENT: ROADS AND STORM WATER						
LIM473-7500-235075	Feasibility Studies- Roads and		-	-	-	-
LIM473-7500-400073	Mig Overheads		2 378 498.24	1 888 000.00	2 023 936.00	2 163 587.59
	Development of Road Master Plan		-	-	-	-
	Review of Indegent Register		-	500 000.00	-	-
			2 378 498.24	2 388 000.00	2 023 936.00	2 163 587.59

Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
WASTE MANAGEMENT					
LIM473-7750-235055	Fencing of Cemeteries	2 500 000.00	600 000.00	600 000.00	600 000.00
LIM473-7750-235056	Developing municipal WMP	-	-	-	-
LIM473-7750-235057	Integrated Waste management	-	-	-	-
LIM473-7750-235065	Protection of Areas of Natural	500 000.00	500 000.00	500 000.00	600 000.00
LIM473-7750-235066	Environmental awareness	100 000.00	200 000.00	250 000.00	300 000.00
LIM473-7750-265077	Solid Waste Collection	2 600 000.00	1 300 000.00	1 500 000.00	2 000 000.00
		5 700 000.00	2 600 000.00	2 850 000.00	3 500 000.00
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
DISASTER MANAGEMENT					
LIM473-8250-200101	Disaster volunteer Cops	-	-	-	-
LIM473-8250-200102	Disaster awareness campaign	300 000.00	200 000.00	250 000.00	300 000.00
LIM473-8250-200112	Disaster relief fund	500 000.00	400 000.00	450 000.00	500 000.00
LIM473-8250-200112	Implement Disaster Recovery Plan	-	-	-	-
	Printing And Stationery	-	-	-	-
		800 000.00	600 000.00	700 000.00	800 000.00
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
PUBLIC SAFETY					
LIM473-8510-200102	Road safety awareness campaign	250 000.00	500 000.00	550 000.00	600 000.00
		250 000.00	500 000.00	550 000.00	600 000.00
Account No.	Project	Adjusted	Draft Budget	Draft Budget	Draft Budget
SPORTS PARKS AND RECREATION					
LIM473-8550-266161	Upgrading & Maintenance Sports	400 000.00	500 000.00	550 000.00	600 000.00
LIM473-8550-266162	Sports & Culture Promotions	1 500 000.00	540 215.03	836 710.51	535 843.54
	Upgrading of libraries	-	-	-	-
		1 900 000.00	1 040 215.03	1 386 710.51	1 135 843.54
	GENERAL EXPENSES	73 163 498.43	69 231 543.96	67 180 835.13	71 564 468.25

Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																	
Description	Ref	Vote 1 - Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Economic Development and	Vote 4 - Infrastructure Development	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates								33 426									33 426
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment								121									121
Interest earned - external investments								12 225									12 225
Interest earned - outstanding debtors								20 998									20 998
Dividends received																	-
Fines								630									630
Licences and permits																	-
Agency services								5 154									5 154
Other revenue								1 029									1 029
Transfers recognised - operational								228 253									228 253
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	301 835	-	-	-	-	-	-	-	-	301 835
Expenditure By Type																	
Employee related costs		7 207	5 008	8 086	4 987	22 891	9 580	16 386									74 146
Remuneration of councillors		20 792	-	-	-	-	-	-									20 792
Debt impairment		-	-	-	-	-	-	17 280									17 280
Depreciation & asset impairment		-	-	-	-	-	-	13 638									13 638
Finance charges																	-
Bulk purchases																	-
Other materials																	-
Contracted services					21 000		800	15 802									37 602
Transfers and grants																	-
Other expenditure		19 763	2 300	8 955	6 556	5 497	12 216	13 944									69 232
Loss on disposal of PPE																	-
Total Expenditure		47 763	7 308	17 041	32 543	28 388	22 596	77 050	-	-	-	-	-	-	-	-	232 689
Surplus/(Deficit)		(47 763)	(7 308)	(17 041)	(32 543)	(28 388)	(22 596)	224 785	-	-	-	-	-	-	-	-	69 146
Transfers recognised - capital								66 210									66 210
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(47 763)	(7 308)	(17 041)	(32 543)	(28 388)	(22 596)	290 995	-	-	-	-	-	-	-	-	135 356

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position
LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Current assets											
Cash		127 395	129 702	112 117	51 932	68 696	68 696	68 696	88 158	117 369	147 473
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	1 544	3 422	13 590	19 223	19 223	19 223	19 223	20 683	22 173	23 703
Other debtors		11 494	18 719	17 315	15 600	12 925	12 925	12 925	13 907	14 908	15 937
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	378	763	407	415	415	415	415	447	479	512
Total current assets		140 812	152 606	143 429	87 169	101 258	101 258	101 258	123 195	154 929	187 624
Non current assets											
Long-term receivables											
Investments											
Investment property		1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172
Investment in Associate											
Property, plant and equipment	3	148 652	203 434	218 385	475 181	352 909	352 909	352 909	412 734	460 531	501 701
Agricultural											
Biological											
Intangible		387	1 009	854	1 864	2 064	2 064	2 064	4 027	3 451	2 876
Other non-current assets											
Total non current assets		150 210	205 614	220 411	478 216	356 145	356 145	356 145	417 932	465 154	505 748
TOTAL ASSETS		291 022	358 220	363 840	565 385	457 403	457 403	457 403	541 127	620 083	693 372
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	42 885	29 727	31 379	14 376	14 376	14 376	14 376	15 468	16 582	17 726
Provisions											
Total current liabilities		42 885	29 727	31 379	14 376	14 376	14 376	14 376	15 468	16 582	17 726
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		3 252	3 059	2 813	3 744	3 744	3 744	3 744	4 028	4 318	4 616
Total non current liabilities		3 252	3 059	2 813	3 744	3 744	3 744	3 744	4 028	4 318	4 616
TOTAL LIABILITIES		46 137	32 786	34 192	18 120	18 120	18 120	18 120	19 497	20 901	22 343
NET ASSETS	5	244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	244 885	325 434	329 648	547 265	439 283	439 283	439 283	521 630	599 182	671 029

Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

LIM473 Makhuduthamaga - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13 Outcome	2013/14 Outcome	2014/15 Outcome	Current Year 2015/16 Original Budget	2016/17 Medium Term Outcome	2016/17 Medium Term Outcome	2016/17 Medium Term Outcome
Demographics												
Population		Census 2001 -	264	262	300	300	300	300	274	300	300	300
Females aged 5 - 14		Census 2001 -	-	-	300	177	177	177	60	177	177	177
Males aged 5 - 14		Census 2001 -	-	-	123	123	123	123	60	123	123	123
Females aged 15 - 34		Census 2001 -	-	-	-	-	-	-	47	-	-	-
Males aged 15 - 34		Census 2001 -	-	-	-	-	-	-	36	-	-	-
Unemployment		Census 2001 -	-	-	24	21	21	21	33	21	21	21
Income (no. of)												
No income	1, 12	Statistics South Africa	-	-	144 105	144 105	144 105	144 105	121 946	144 105	144 105	144 105
R1 - R1 600		Statistics South Africa	-	-	-	-	-	-	1 311 130	-	-	-
R1 601 - R3 200		Statistics South Africa	-	-	-	-	-	-	3 945	-	-	-
R3 201 - R6 400		Statistics South Africa	-	-	60 966	60 966	60 966	60 966	2 894	60 966	60 966	60 966
R6 401 - R12 800		Statistics South Africa	-	-	32 154	32 154	32 154	32 154	3 281	32 154	32 154	32 154
R12 801 - R25 600		Statistics South Africa	-	-	2 128	2 128	2 128	2 128	2 028	2 128	2 128	2 128
R25 601 - R51 200		Statistics South Africa	-	-	2 637	2 637	2 637	2 637	346	2 637	2 637	2 637
R52 201 - R102 400		Statistics South Africa	-	-	3 829	3 829	3 829	3 829	57	3 829	3 829	3 829
R102 401 - R204 800		Statistics South Africa	-	-	718	718	718	718	73	718	718	718
R204 801 - R409 600		Statistics South Africa	-	-	57	57	57	57	55	57	57	57
R409 601 - R819 200		Statistics South Africa	-	-	9	9	9	9	9	9	9	9
> R819 200		Statistics South Africa	-	-	235	235	235	235	235	235	235	235
households)												
< R2 060 per household	13	Statistics South Africa	-	-	247 632	247632.00	247632.00	247632.00	247632.00	-	-	-
Insert description	2	Statistics South Africa	-	-	-	0.00	0.00	0.00	0.00	-	-	-
(000)												
Number of people in		Statistics South Africa	-	-	262 728	263	263	274	274	-	-	-
Number of poor people in		Statistics South Africa	-	-	-	-	-	-	-	-	-	-
Number of households in		Statistics South Africa	-	-	262 731	263	263	65	65	-	-	-
Number of poor		Statistics South Africa	-	-	247 632	248	248	248	248	-	-	-
Definition of poor household		Statistics South Africa	-	-	2 060	2 060	2 060	2 060	2 060	2 060	2 060	2 060
Housing statistics												
Formal	3	Statistics South Africa	-	-	53 645	53 645	53 645	53 645	53 645	53 645	53 645	53 645
Informal		Statistics South Africa	-	-	-	-	-	-	-	-	-	-
Total number of			-	-	53 645	53 645	53 645	53 645	53 645	53 645	53 645	53 645
Dwellings provided by	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by			-	-	-	-	-	-	-	-	-	-
Dwellings provided by	5		-	-	-	-	-	-	-	-	-	-
Total new housing			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook	6		-	-	-	-	-	-	-	-	-	-
Interest rate - borrow ing			-	-	-	-	-	-	-	-	-	-
Interest rate - investment			-	-	-	-	-	-	-	-	-	-
Remuneration increases			-	-	-	-	-	-	-	-	-	-
Consumption growth			-	-	-	-	-	-	-	-	-	-
Consumption growth			-	-	-	-	-	-	-	-	-	-
Collection rates												
Property tax/service	7		-	-	-	-	-	-	-	-	-	-
Rental of facilities &			-	-	-	-	-	-	-	-	-	-
Interest - external			-	-	-	-	-	-	-	-	-	-
Interest - debtors			-	-	-	-	-	-	-	-	-	-
Revenue from agency			-	-	-	-	-	-	-	-	-	-

Table 53 MBRR Table SA11 – Property rates summary

LIM473 Makhuduthamaga - Supporting Table SA11 Property rates summary										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Valuation:	1									
Date of valuation:		2011/07/01	2011/07/01	2011/07/01	2011/07/01					
Financial year valuation used		2011/2012	2012/2013	2012/2013	2012/2013					
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes					
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes					
Municipal partnership s38 used? (Y/N)		NO	NO	NO	NO	NO	NO	NO	NO	NO
No. of assistant valuers (FTE)	3	–	–	–	–	–	–	–	–	–
No. of data collectors (FTE)	3	–	–	–	–	–	–	–	–	–
No. of internal valuers (FTE)	3	–	–	–	–	–	–	–	–	–
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	–	–	–	–	–	–	–	–	–
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes					
Implementation time of new valuation roll (mths)		48	48	48	48					
No. of properties	5	1 797	1 797	1 797	1 797	1 797	1 797	1 797	1 797	1 797
No. of sectional title values	5	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–
No. of objections by rate payers		–	–	–	–	–	–	–	–	–
No. of appeals by rate payers		–	–	–	–	–	–	–	–	–
No. of successful objections	8	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	8	–	–	–	–	–	–	–	–	–
Supplementary valuation		–	–	–	–	–	–	–	–	–
Public service infrastructure value (Rm)	5	–	–	–	–	–	–	–	–	–
Municipality owned property value (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)		–	–	–	–	–	–	–	–	–
Total valuation reductions:		–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	5	–	–	–	–	–	–	–	–	–
Total land value (Rm)	5	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	5	–	–	–	–	–	–	–	–	–
Total market value (Rm)	5	–	–	–	–	–	–	–	–	–
Rating:										
Residential rate used to determine rate for other		No	No	No	No					
Differential rates used? (Y/N)	5	No	No	No	No					
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes					
Special rating area used? (Y/N)		No	No	No	No					
Phasing-in properties s21 (number)		0	0	0	0					
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes					
Fixed amount minimum value (R'000)		–	–	–	–					
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%					
Rate revenue:										
Rate revenue budget (R '000)	6	24 906	41 358	27 270	28 813	28 813	28 813	33 426	33 521	35 000
Rate revenue expected to collect (R'000)	6			18 232	16 250	16 250	16 250	28 370	33 521	35 000
Expected cash collection rate (%)		0.0%	0.0%	66.9%	56.4%	56.4%	56.4%	84.9%	100.0%	100.0%
Special rating areas (R'000)	7	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)										

Table 54 MBRR Table SA12a – Property rates by category (current year)

LIM473 Makhuduthamaga - Supporting Table SA12a Property rates by category (current year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/nts	Public benefit organs.	Mining Props.
Current Year 2015/16																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
No. of valuation roll amendments																	
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,reductns,discs (R'000)																	

Table 55 MBRR Table SA12b – Property rates by category (Budget year)

LIM473 Makhuduthamaga - Supporting Table SA12b Property rates by category (budget year)																	
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2016/17																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Supplementary valuation (Rm)																	
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued		3	3	3	3	3	3		3	3	3	3	3	3	3	3	3
Years since last valuation (select)		<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4	<4
Frequency of valuation (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Method of valuation used (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:																	
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rating:																	
Average rate	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,reductns,discs (R'000)																	

Table 56 MBRR Table SA13a – Service tariffs by category.

LIM473 Makhuduthamaga - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
							Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Property rates (rate in the Rand)	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
Industrial properties									
Business and commercial properties			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties			2 cents	2 cents	2 cents	2 cents	2 cents	2 cents	2 cents
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/kl)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		(fill in thresholds)							
Water usage - Block 2 (c/kl)		(fill in thresholds)							
Water usage - Block 3 (c/kl)		(fill in thresholds)							
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)									
Service point - vacant land (Rands/month)									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter (c/kwh)									

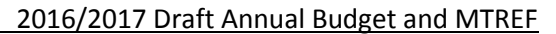
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Table 58 MBRR Table SA14 – Household bills.

LIM473 Makhuduthamaga - Supporting Table SA14 Household bills											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent								% incr.			
Account for	1										
services											
rates											
Basic lev y											
Consumptio											
Basic lev y											
Consumptio											
Sanitation removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
Services											
household		-	-	-	-	-	-	-	-	-	-
increase/-			-	-	-	-	-		-	-	-
Account for	2										
services											
rates											
Basic lev y											
Consumptio											
Basic lev y											
Consumptio											
Sanitation removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
Services											
household		-	-	-	-	-	-	-	-	-	-
increase/-			-	-	-	-	-		-	-	-
Account for	3										
services											
rates											
Basic lev y											
Consumptio											
Basic lev y											
Consumptio											
Sanitation removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
Services											
household		-	-	-	-	-	-	-	-	-	-
increase/-			-	-	-	-	-		-	-	-

Table 59 MBRR Table SA15 – Investment particulars by type.

LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		63 489	66 137	100 000	100 000	100 000	100 000	120 000	140 000	120 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	63 489	66 137	100 000	100 000	100 000	100 000	120 000	140 000	120 000
<u>Entities</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		63 489	66 137	100 000	100 000	100 000	100 000	120 000	140 000	120 000

Table 60 MBRR Table SA16 – Investment particulars by maturity.

LIM473 Makhuduthamaga - Supporting Table SA16 Investment particulars by maturity														
Investments by Municipality & Investment Institution	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee	Variable or Fixed	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature	Investment Top Up	Closing Balance
Parent municipality														
ABSA	1	3 Months	Call account	Yes	No	6%	0	N/A	31st of Third Quarter	100 000	1 500	-	-	101 500
														-
														-
														-
														-
														-
														-
Municipality sub-total										100 000		-	-	101 500
Entities														
														-
														-
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS	1									100 000		-	-	101 500

LIM473 Makhuduthamaga - Supporting Table SA17 Borrowing										
Borrowing - Categorised by type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-
<u>Unspent Borrowing - Categorised by type</u>										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

2.15 Annual Budget of Municipal entities

- The municipality does not have entities.

Quality Certificate

I **Moropa Mogobadi Erick**, the municipal manager of **Makhuduthamaga Municipality** hereby certify that

- ☐ The Draft Annual Budget and MTREF

For the financial year **2016/17 to 2018/19** has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act.

Print Name: **Moropa Mogobadi Erick**

Municipal Manager of **Makhuduthamaga Local Municipality (LIM473)**

Signature

Date